FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

North Sea oil deaths probe

The Department of Energy's chief inspector of diving flew to Aberdeen yesterday to investigate the deaths of two divers in a decompression chamber after a 390-feet dive from an oil rig 200 miles off the Orkneys.

The deaths on Tuesday of Mr. Peter Holmes, 29, and Mr. Roger Baldwin, 24, bring to at least ten the number of fatalities connected with North Sea oil this year, compared with 12 in 1974. The death rate is 33 times higher than in U.K. coalmining, according to a BMA report.

Calling for an inquiry, Mr. Jo Grimond, MP for Orkney and Shetland, asked yesterday whether we are "now diving on the edge of our capacity." David Fishlock, Page 24

Craig-Paisley split deepens

As the split deepened between Vanguard party leader Mr. William Craig and his one-time ally, the Rev. Ian Paisley, over power-sharing in the Northern Ireland Convention, the Army confirmed the authenticity of a document produced by Dr. Paisley saying that leading Provisional IRA man Mr. Seamus Twomey was no longer wanted. In Dublin, the Irish Republic ruled out any joint British and Irish army border patrols. Back Page.

Troops in Tripoli

The Lebanese Army was ordered to man buffer zones between the warring towns of Tripoli and Zgharta. A marathon Cabinet meeting also appointed General Hanna Saeed as the Army commander instead of General Iskander Ghanem. Page 5

FO's rebuttal

The Foreign Office denied an allegation by Senator Edward Kennedy that Britain and the U.S. had evicted 1,000 inhabitants from the Indian Ocean Islands of Diego Garcia to make way for a U.S. naval base. It said the U.K. paid Mauritius £650,000 for relief and resettlement two years ago. Sen. Kennedy had claimed the islanders were now living in abject poverty.

Imps recalled

Chrysler United Kingdom is recalling about 17,000 Hillman Imps built between April 1974 and June 1975 for inspection of front and rear brake hoses.

The safety value of inertia seat belts has been questioned by Birmingham University's accident research unit. Page 7

Italy trial call

Italy's Deputy Public Prosecutor has asked for 86 people, including four generals and the former head of the secret service, to be tried in connection with the abortive coup attempt of December 7, 1970.

Sir Denys Lowson

Sir Denys Lowson, the former Lord Mayor of London whose City dealings earned him the reputation of typifying "the unacceptable face of capitalism," died in London after a long illness. Sir Denys, 69, was being sued by Estates House Investment Trust, following his admission that he made £5m. profit at his shareholders' expense.

People and places

A Sydney newspaper reported that England cricket captain Tony Greig would take up a £12,000 contract with Sydney's Woverley club next Thursday.

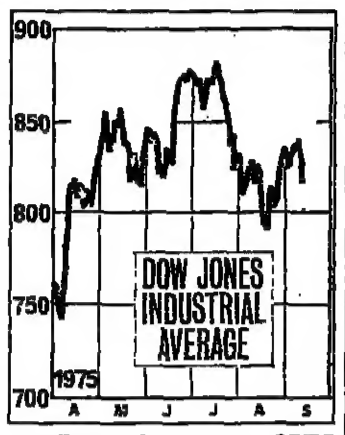
Mr. Howard Smith, 55, will be Britain's next ambassador to Moscow when the present envoy, Sir Terence Garvey, retires.

Mr. Matthew Taylor, chairman of Rangers Football Club, and its biggest shareholder, died in Glasgow aged 69.

BUSINESS

Wall St. down 10.09 Gilts lose up to ¼

● WALL STREET closed 10.09 points down at 817.66—a two-day fall of 22.45. The main factors were fears of the inflationary effect of forthcoming OPEC oil price reviews and concern over possible interest rate changes.



● EQUITIES were marked down on opening after news of a £63.7m. "rights" issue by Royal Insurance and the overnight setback on Wall Street. Sellers failed to materialise however and losses were recouped. The FT 30-share index closed 0.2 lower at 320.1.

● GILTS were undermined by indications of high Government borrowing. Closing falls ranged to ¼, leaving the Government Securities index down 0.21 at 61.16.

● GOLD improved by $¾ to $149¾.

● STERLING closed unchanged at $2.1105; its weighted depreciation narrowed slightly to 27.4 (27.5) per cent. The dollar edged forward — its weighted fall narrowing to 2.62 (2.73) per cent.

● A RUNDOWN of £260m. in overseas countries' official holdings of sterling was more than offset by an increase of £285m. in other overseas holdings of sterling in London, detailed balance of payments figures for the second quarter show. Back Page

Tax accounting standard set

● ALL COMPANIES will be required to provide for deferred taxation where there are "material" timing differences in tax payments under a new accounting standard published after two years of debate on the draft proposals. Page 8

● PAN AM expects to report a profit for the second successive month with a record August surplus of over $20m., but the airline is still heading for an annual loss—albeit half 1974's $82m.

● NIPPON STEEL is to make a $50m. Eurobond offer—the largest by a Japanese company. Indicated coupon is 9¼ per cent.

● FELIXSTOWE DOCK, Britain's leading independent port, has sold an 80 per cent. interest in its tank storage subsidiary to the National Freight Corporation for £880,000 cash. Page 7, results Page 20.

● FERRANTI shareholders have unanimously approved the agreement giving the Government 50 per cent. voting rights in exchange for injecting £15m. in loan capital and new equity. Page 8

COMPANY RESULTS

● GUARDIAN ROYAL Exchange Assurance half year pre-tax profits rose by £6.9m. to £22m., reflecting higher investment income and a return to profit on general underwriting. Page 22 and Lex.

● GUINNESS PEAT GROUP trading profits for the year ended April 30 fell £0.74m. to £5.57m. The dividend is raised from 7.11p to 7.6225p net. Page 22 and Lex.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Acrow Eng. "A"	82	+ 7
Alginate	176	+ 8
Armstrong Equipt.	45	+ 3
Assoc. Newspapers	98	+ 5
Booker McConnell	152	+ 4
Cape Industries	115	+ 9
Fenner (J. H.)	110	+ 6
Fertleman (B.)	54	+ 3
Grindlays	42	— 4
Guardian Royal Exch.	186	+ 4
Inveresk	56	+ 3½
Lamont Hldgs.	40	+ 9½
Marshall's Universal	114	+ 4
Paterson Zochonis	360	+ 20
Portals	132	+ 5
Rotork	93	+ 6
Royal Ins.	295	+ 7
Slimma	34	+ 4
Taverner Rutledge	67	+ 5
Unilever	374	+ 4
BP	525	+ 5
Burmah Oil	37	+ 3
Falcon Mines	210	+ 15
F. S. Geduld	£26¾	+ ¾
Peko-Wallsend	345	+ 10
President Steyn	£15¼	+ ¾
S.A. Land	290	+ 30

FALLS

Treasury 12¾pc 1992	£94½	— ¼
Audiotronic	39	— 4
Furness Withy	238	— 11
GUS "A"	171	— 5
Hammerson "A"	323	— 7
H.K. & Sh'ghai Bnkg.	226	— 7
Philips' Lamp.	665	— 23
Rank Org. "A"	143	— 5
Messina	330	— 15
Pot. Plat.	225	— 9
Union Corp.	480	— 15
Ventersport	490	— 40

Cut in ordering by P.O. will cost 4,800 GEC jobs

BY CHRISTOPHER LORENZ and LORELIES OLSLAGER

GEC Telecommunications yesterday told its employees that "a massive reduction" in the Post Office's telephone equipment ordering programme was forcing it to cut back 4,800 jobs and close three factories over the next year.

The trade unions replied with a "total rejection" of the decision and said they were seeking urgent talks with the Government to urge that previous order levels be reinstated.

The manufacturers are to have a top-level meeting with the Department of Industry in the next few days.

The unions gave an example of the kind of pressure the Government can expect to come under as unemployment rises in the weeks and months to come they recalled that the TUC at its annual congress last week had given its support to the new £6-a-week pay policy in the battle against inflation.

Now, according to Mr. Roy Sanderson, the secretary of the union side, "we want some quid pro quo from the Government. It can show in a concrete way that it is prepared to help us in preserving jobs."

The unions are initially seeking a meeting with Mr. Eric Varley, Secretary of State for Industry. If he fails to give them satisfaction, they plan to ask for a meeting with Mr. Wilson of all the general secretaries concerned.

The unions reckon that as many as 18,000 jobs could be lost throughout the telecommunications industry if the P.O. orders at the present forecast level.

This is the same figure quoted by some of the manufacturers when the threat of substantial redundancies was first reported in the Financial Times on July 31.

GEC's statement made clear that the industry is facing a long-term cutback in P.O. orders, rather than a short-term slump.

Plessey, which said the cuts, or phasing-back, of orders would probably be not less than 25 per cent., and Standard Telephones and Cables—the two other main P.O. suppliers—are expected to announce early employee cutbacks.

But the industry consensus last night was that the eventual toll could be between 12,000 and 15,000 jobs, rather than 18,000.

Employment levels in the industry, at present just over 80,000, have already been run down by natural wastage from the 1971 level of more than 90,000.

Reduction

The process has gathered pace in recent months as part of the industry's shift from electro-mechanical exchange manufacture towards electronics and because of earlier P.O. cutbacks. Since 1973, the P.O. has reduced its actual orders (as opposed to forward estimates) for exchanges by 30 per cent.

Since December 1973 GEC and Plessey have each reduced manning levels in their telecommunications companies by about 3,000 men, to 26,700 and 28,500 respectively, and over the past year, the smaller STC has lost about 1,000 employees.

So the scope for further natural wastage is limited, and substantial redundancies are inevitable unless the Government bows to combined union-industry pressure.

One reliable source claimed last night that the P.O. had told its suppliers that the Government had expressed its readiness to accept the ordering programme cutback, but neither the P.O. nor the Industry Department would comment.

The Post Office has already made clear that a reduction in its investment programme over the next two or three years has been made inevitable as much by the impact of the depressed state of the economy as by the impact (actual and expected) of this year's substantial increases in charges.

While stressing that discussions with the P.O. and the Industry Department were continuing, GEC Telecommunications said that "a substantial reduction in manufacturing capacity seems inevitable."

Based on the latest P.O. programme, the company would need to reduce its labour force to about 23,000 by April 1976 and about 21,900 by October 1976.

This would include the closure of three of its smaller satellite plants: Raglan Street, Coventry (230 people), West Chirton (in the North-East, 300 people) and Accrington (500 people).

The proposed cutbacks would affect most of the company's 15 factories across the country: about 1,100 in the Coventry area, about 1,000 in the North-East, the 500 in Accrington and a further 660 in Scotland in addition to the 560 announced last month.

Not all the reductions will be in the form of redundancies, but

Continued on Back Page
The crucial issues, Page 18

Vauxhall tells unions of plan to sell Opels in U.K.

BY ROY ROGERS, LABOUR CORRESPONDENT

GENERAL MOTORS plans to sell German-made cars in the U.K. under the Vauxhall Motors mark —a move that has angered the British trade unions.

Although Vauxhall management refuses to comment on the situation, the company shop stewards have been given an outline of the proposals which are understood to involve importing cars manufactured at General Motors' Opel plants in West Germany and Belgium, possibly beginning next month.

The imported car, to be called the Cavalier, is designed to challenge Ford's Cortina and Chrysler's 180, which is imported from Chrysler's Simca works in France.

Vauxhall's workforce has been pruned from 34,000 to 29,000 over the past two years and with no new U.K. models in the offing, the unions fear the management's import plan could herald the phasing out by General Motors of car manufacturing in the U.K.

To-day at a regular meeting in London of the company's national joint negotiating committee, union leaders will seek assurances that Vauxhall intends to continue producing vehicles.

They are not very optimistic, and fear that the response will merely echo management's normal assurance that it intends to "maintain a presence in the U.K. market."

Vauxhall unions have already begun a major campaign to prevent any manufacturing rundown by the company, and this includes approaching local MPs at Luton and Dunstable, where more than 30,000 are employed by Vauxhall.

The MPs have already called for a meeting with Mr. Eric Varley, Industry Secretary, to ask him to put pressure on the company to reveal its long-term strategy.

PETER FOSTER writes: It has been rumoured for some time that the U.S. parent company, General Motors, was eager to concentrate car activity in West Germany and truck production in the U.K., where Bedford retains a successful export business.

Vauxhall's car side has in fact performed relatively well this year, being the only British manufacturer to maintain its sales in face of the foreign onslaught on the U.K. market.

The introduction of the Chevette helped Vauxhall to trim its first-half pre-tax losses to £7.5m.

But as the recent Commons Select Committee on the motor industry pointed out, Vauxhall, like Chrysler, is likely to remain in a loss-making position because of its low car-volume.

The imported car would fit into the Vauxhall range between the Chevette and the Victor-VX 490, and could provide a fresh challenge in the fleet market to both British Leyland and Ford.

BL-union pact

British Leyland management, and shop stewards representing 116,000 car division workers, reached broad agreement on new industrial democracy machinery which has been designed to achieve wider-ranging joint consultation than in most British companies.

Details—Back Page.

Eurocanadian stake in Furness

BY MARGARET REID

LARGE SHARE stakes formerly held by interests associated with the troubled Norwegian shipowner, Mr. Hilmar Reksten, are believed now to form a major part of a 28½ per cent. holding in the Furness Withy shipping group which has been bought by Eurocanadian Shipholdings.

The acquisition, which was disclosed yesterday and is worth some £18.2m. at last night's price, confirms one of the stock market's longest running rumours.

Eurocanadian, a member of the Cast group of international shipping companies, which is a transport organisation for Intercast SA of Switzerland, in which there are strong Canadian interests, last year bought a 37 per cent. stake in FW's subsidiary, Manchester Liners.

That purchase, the result of a take-over bid which could not succeed fully—since FW holds well over 60 per cent. of ML—immediately gave rise to expectations that Eurocanadian might later bid for FW itself.

No full-scale offer is, however, in prospect, it was made clear yesterday. Announcing that it had been told of the acquisition, FW, where Sir James Steel recently succeeded Lord Beeching as chairman, said it had been told that Eurocanadian had bought its stake as an investment. Discussions are to be held between the two companies to determine how best to develop their mutual trading interests.

The FW price, which this year has ranged between 111p and 257p, closed 11p down at 238p after the news.

It has long been known that substantial holdings in FW were held by interests linked with Mr. Reksten, whose problems in the present troubled tanker climate have been much discussed this year. The Norwegian Government recently bought out certain major Reksten shareholdings in Norway for some £16m. to generate cash.

Now it appears that a start is being made on disposal of overseas shareholdings associated with the Reksten businesses. Part of the holding in FW bought by Eurocanadian—the price of the deal is not disclosed—is thought to have come from companies associated with Hambros Bank, the London merchant bank which advises Mr. Reksten. This holding appears to have been distinct from the shares previously linked with Reksten companies.

Earlier this week, Ocean Transport and Trading disclosed that it had accepted £3.4m. in settlement of a claim against the Reksten interests in respect of charter of the tanker Titan.

It is now learned that Olsen and Ugelstad, of Norway, has sold to a foreign purchaser its claim against the Reksten interests in respect of a tanker charter for Kr.21½m. (£1.8m.), understood to be 40-50 per cent. below the value of the claim.

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Royal Insurance to raise £63m.

BY STEWART FLEMING

ROYAL INSURANCE, which on Monday dismissed as "speculation" renewed rumours of an impending rights issue, yesterday announced that it was raising £63.7m. from its shareholders.

The issue is the biggest this year and compares with the £62m. raised by Commercial Union Assurance in September, 1974. It takes the amount of money raised by the City through rights issues this year to almost £950m., of which some £350m. has been absorbed by the financial and property sectors. Royal is the seventh large insurance organisation to increase its capital base during the past 12 months.

The news was well received on the Stock Exchange. Royal's share price, which has been falling slowly over the past few days on rumours of the funding, closed 7p higher at 295p.

The success of the underwriting of the issue during the day was taken as evidence that, although the issue market has been relatively quiet for several weeks, companies with a recognised name and apparently good prospects can still raise new funds successfully.

Explaining the reasons for the issue, Royal, like other short-term insurance companies, stressed the desirability of reinforcing its statutory solvency margin in order to ensure the expansion of its operations—particularly in Canada and the U.K.—as one of the most important considerations.

The company pointed out that at the end of last year its solvency margin fell to 19 per cent., compared with the current statutory minimum of 10 per cent., a figure which is likely to rise to 16 per cent. as a result of new insurance regulations being drawn up.

Presently the Royal's solvency margin is 37 per cent. and it will rise to about 46 per cent. with the inclusion of the issue proceeds. This figure compares with a current level of about 31 per cent. for Commercial Union, and more than 55 per cent. for Guardian Royal Exchange.

The terms of the issue are that shareholders will be offered one new share for every four already held at a price of 220p a share. An extraordinary meeting is being called for September 26 to seek shareholder approval for an increase in the authorised capital.

In a letter to shareholders, Mr. Daniel Meinertzhagen, the chairman, says that the company is expecting a "marked improvement" in its insurance underwriting experience during the current year and forecasts a final dividend of 8.087p a share on the increased capital.

Lex, Back Page

French set to flout EEC rules on wine

BY ROBIN REEVES

BRUSSELS, Sept. 10.

THE FRENCH Government is poised to breach EEC rules by acting unilaterally to curb Italian wine imports. This follows the breakdown of the Common Market Council of Agricultural Ministers negotiations at dawn to-day. Unilateral measures were approved by the French Cabinet meeting in Paris during the day, and are expected to be announced formally to-morrow. Once these are known, the Italians have made it plain, they intend to take France to the European court for breaking the Rome Treaty by putting up a barrier to internal trade.

In Brussels a mood of despondency rather than crisis descended as Farm Ministers gave up their all-night bid to find a Community compromise acceptable to both countries. As a result of this failure there was no agreement on the package of longer-term measures to deal with difficulties of a wine sector plagued by over-production and surpluses, which was chewed over by Ministers in negotiations lasting nearly 24 hours.

Italy's view

The insistence of M. Christian Bonnet, the French Farm Minister, on immediate measures to curb the flow of Italian wine imports, and the threat of unilateral French action, meant that Signor Giovanni Marcora, the Italian Agricultural Minister, would not acquiesce to the longer-term plans to drain the EEC "wine lake." Italy sees the increase in her exports to France as little more than the natural development of the EEC wine market.

Italian wine shipped to France, much of it for blending, was nearly 5m. hectolitres so far this year, compared with 3.5m. hectolitres last year. It was at low prices, linked with the relationship between the devalued Italian lira and the stronger French franc.

Though the lira price of Italian wine has not altered significantly in two years, in franc terms it has become markedly cheaper. Common Agricultural Policy arrangements for offsetting effects of currency fluctuations on EEC farm trade are less effective for wine because of the absence of firm floor or intervention price.

M. Bonnet's demand and the impending unilateral action stem from past French nervousness at the threatened renewal of the violent demonstrations by wine-growers in Southern France earlier this year over level and prices of imported Italian wine.

The problem was overcome in April by the Council's agreeing to an expensive programme of distillation of surplus wine into industrial alcohol to relieve pressure on the market. But this was agreed to, with West Germany's financial reluctance strongly in evidence, only on the understanding that more sensible, less costly arrangements would be adopted in the near future.

No buying-off

The extent to which budgetary considerations now loom large was shown by the fact that "buying off" the problem was not proposed by the Commission. M. Bonnet was strongly critical of Bonn's preoccupation with the budgetary aspect and, as he thought, reluctance to do anything.

With discussions therefore seeking a formula for France to do something without breaching EEC rules, a sympathetic M. Pierre Lardinois, Commissioner responsible for Agriculture, said that strictly the safeguard clause in the wine regulations was no longer admissible, since it expired with the end of transition to a common wine market in 1971. But if the Council would give political blessing to its use, the Commission was prepared to pretend it was valid until the end of the year.

Italy rejected this, and a number of other formulas, on the grounds that in helping French growers, they penalised Italian wine duties.

U.K. gains

The discussions indicate that Mr. Fred Peart, the Minister of Agriculture, should secure special derogations for the two British concerns.

First, there appeared no objection to the small English wine-growing industry being exempt from the standstill on new plantings, which the Council was ready to set for two years beginning on January 1.

Second, the Council seemed ready to allow Britain to continue importing cheap grape musts from non-EEC countries for the needs of the "British wine" industry. The problem of applying the principle of community preference was overcome by Mr. Peart indicating that the U.K. would adopt the full EEC tariff of 28 per cent. on imported musts immediately, rather than wait till the end of the transition period.

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£ in New York

—	Sept. 10	Previous
Spot	$2.1120-1130	$2.1100-2.1110
1 month	0.76-0.70 dis	0.72-0.65 dis
3 months	1.80-1.73 dis	1.80-1.76 dis
12 months	6.30-6.20 dis	6.27-6.20 dis

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LOMBARD

The factor they can't control

BY C. GORDON TETHER

THE NEWLY fashionable theme about global inflation is that governments are being stampeded into reflationary measures by the growth of unemployment on such a scale that the recent slackening in the tempo of the rise in prices will soon give place to a new upsurge—and one which, since it will start from a higher base than the previous one, could assume an even more horrendous character.

I wonder whether this takes sufficient account of the evidence that the new efforts to boost economic activity will be neutralised by the considerable impact on public attitudes of the deterioration in the economic environment, the indications being that, while consumers can be easily taken to the spending water, there is no way of making them drink.

It is important to understand that the fact that the German and French Governments have recently felt themselves compelled to introduce major new reflationary packages is a direct consequence of the failure of earlier moves—moves that were held to be more than adequate at the time—to halt recession trends.

Similar contretemps are being reported from many other parts of the world. A week or two back the Dutch Central Plan Bureau reported that the cuts recently made in the country's income-tax had had virtually no effect on the level of economic activity. And all the diagnoses of the present stagnation in Japan agree that the best-laid plans of the policy-makers there have been thrown into acute disarray by what looks very much like a consumers' strike.

It might have been thought that, so long as there was a strong price argument for not putting off till to-morrow the purchases you can make to-day, any official moves to augment the supply of spending power at the disposal of the public could be counted upon to find a prompt reflection in the level of activity in the shops. In the event, it is painfully clear that a much greater influence on public attitudes at the moment is the pessimism generated both by widespread official moves to check the rise in real incomes and by the onset of the first major recession since the end of World War II.

The Dutch Central Plan Bureau attributed the failure of the Government's tax cuts to set recovery in motion there to the "great appetite" the public was manifesting for saving.

Similarly, an in-depth analysis of the stagnation in public spending in Japan appearing in the current issue of the Fuji Bank Bulletin comes to the conclusion that consumers have been severely disoriented by the sudden deterioration in the economic climate and by the psychological effect of the erratic behaviour of the incomes-prices spiral—to such an extent, indeed, that the revival of economic activity the Japanese authorities are seeking to bring about is not likely to receive much assistance from this direction for some time to come.

The global recession can thus be said to have acquired a built-in force of substance that is helping it to perpetuate itself. And in these circumstances fears that the new enthusiasm governments are developing in all parts of the world for launching more robust reflationary packages to prevent their unemployment problems escalating may well be misplaced—or at least premature.

In this connection, it has to be remembered, that the restraining effect on economic activity of the public's continuing preference for saving as opposed to spending is likely to be compounded by another factor. This is the reluctance to devote more money to expanding capacity which the business community is likely to go on displaying so long as there is no early prospect of its existing slack being taken up.

Not so simple

This should, of course, mean that the danger of global inflation being given new impetus just when there seemed to be some indications that it was showing signs of abatement is less acute than is currently being argued. But it may also mean that the global recession may turn out to be much less amenable to treatment than it is generally assumed it will be.

There has been a tendency to suppose that, if only key countries in strong payments positions—notably the U.S., Germany, France and Japan—could be induced to give a firm lead by mounting major reflationary exercises, the world economy could be got back on course within the space of a year or so. It is now evident that these countries are themselves experiencing great difficulty in bringing about the change of mood at home needed to get these operations under way.

What is becoming no less clear is that, even if they do manage to do materially better, the response from the rest of the world could prove to be a decidely low key affair for a disconcertingly long time to come.

RACING — BY DOMINIC WIGAN

O'Brien and Piggott again

VINCENT O'Brien who supplied three of Lester Piggott's five winners at the Curragh on Saturday, can provide the world's most sought-after jockey with another important success this afternoon. I expect to see his lightly-raced Herbager filly *Tuscarora* give Piggott another Park Hill (3.05).

On her last appearance, the Irish filly, a cheap yearling purchase by her trainer's standards—$40,000—proved there was no semblance of a fluke about her 12 lengths' Phoenix Park victory early in July when subsequently nearly upsetting Juliette Marny in the Irish Guinness Oaks at the Curragh.

In that race, *Tuscarora*, enterprisingly ridden by Tom Murphy, opened up a five-length lead three furlongs from home, and it was only a furlong out that the Epsom Oaks winner, driven right out by Piggott, got the upper hand and forged into a neck lead, which she held to the line.

Tuscarora, having only the fourth race of her career in the Irish Oaks, seems sure to have made considerable progress, and I cannot visualise her falling to oblige. The Yorkshire Oaks winner, May Hill, and Curtains, the runner-up in the Galtres Stakes, may follow her home.

Half an hour after the Park Hill, it will be intriguing to see if the vastly-improved *Court Chad* can concede weight to the smart opponents he meets in the Scarborough Stakes (3.35).

DONCASTER
2.00—Gemina
2.35—Edwards Hill
3.05—Tuscarora***
3.35—Court Chad
4.05—Crash Course**
4.35—Juke Box Jury
5.05—Inchmarlo

CARLISLE
2.45—Silver Tinkle
4.15—Dunky
4.45—Night Nurse

SALISBURY
2.30—Memory Lane*
3.00—Crescendo
5.00—Magnetic

Gavin Pritchard-Gordon's powerfully made chestnut colt put up a particularly fine performance when holding off Joking Apart in the Hungerford Stakes at Newbury just under a month ago, and the runner-up franked that form with a bloodless success over Silky in York's Strensall Stakes.

Court Chad, who is bidding for a 'nap hand, will be ideally suited by this stiff seven furlongs, and I feel confident he can maintain his run: possibly at the main expense of Boldboy.

With Hell's Gate an absentee from the Doncaster Cup (4.05), only three—*Crash Course*, Kambalda and Relay Race—take the field.

Here I shall not oppose Jeremy Hindley's handsome Busted four-year-old, *Crash Course*, who, after slipping and coming down in the Goodwood Cup, found quick compensation when defeating five rivals headed by Dakota in the £4,000 Top Rank Club Handicap at Newcastle on August 25.

Always lying close up, *Crash Course* produced a useful turn of foot at the end of that Gosforth Park Handicap which carried him past the previous week's Ebor winner, to whom he was conceding 7 lb. Kambalda is preferred to Relay Race for the forecast.

At Salisbury, where *Crescendo* can maintain Ryan Price's quick scoring rate in the Fonthill Handicap (3.00), it will come as a major surprise if Mill Reef's sister, *Memory Lane*, cannot follow up her Sandown victory with success in the Stockbridge Stakes (2.30).

HORSE TRIALS — BY MICHAEL DONNE

Strong entry for Burghley

MORE THAN 50 of Britain's top riders and horses will be competing in this year's Burghley Horse Trials in Lincolnshire, sponsored by Raleigh Industries, which start to-day with the dressage phase.

Although somewhat overshadowed by the recent European Three-day Event championships at Lumuhlen in West Germany, which reduced the international entry for Burghley, this year's trials will be nonetheless significant in their own right.

Besides giving many riders who do not aspire to international honours a chance to test themselves and their mounts over the exacting conditions of a full three-day event, they will give some of the more experienced riders a chance to bring on their younger horses upon which so much depends for the future.

With the Olympic Games in Montreal next year, Burghley will give the selectors some interesting pointers to possible members of the British team. For although the British all-women four-member team did so well at the European championships at Lumuhlen, coming second to Russia in the team competition and winning the individual championship title with Lucinda Prior-Palmer on Be Fair, the selectors will need at least a short-list of 10 or 12 from which to make up the potential Olympic team.

Britain's strength in this branch of equestrianism is shown by the fact that no less than 100 riders entered for Burghley, despite the tougher rules (each rider must have ridden in two three-day events and each horse taken part in one), although the inevitable withdrawals have whittled that early list down.

Some of the best-known three-day event competitors will be taking part. Olympic team and individual gold medallist Richard Meade will be riding his new mount, Tommy Buck, and gold medal team-mate Captain Mark Phillips will be riding both Brazil, owned by Mrs. R. Boucher, and Gretna Green—the latter in place of Janet Hodgson, who is still recovering from her falls at Lumuhlen.

Princess Anne, who was second in the individual rankings at Lumuhlen, has had to withdraw her novice horse Flame Gun because of lameness, and will not now be competing. Others taking part will be Debbie West on Baccarat, Lorna Sutherland on Greco, Diana Thorne on The Kingmaker and Bridget Parker on Sailor.

FT CLIPPER RACE

GB II west of Canaries

GREAT BRITAIN II, the British Services entry in the Financial Times Clipper Race, was yesterday passing West of the Canary Islands.

Her position at 0700 GMT was 29° 57' N. 20° 07' W. She reported steady running, making moderate progress in light conditions.

It was assumed that she was taking the traditional course and heading for Brazil before looping back East to avoid the Atlantic high pressure zone.

The French Kriter II was expected to pass the Canaries to the East. She gave her position on Tuesday night as 30° 40' N, 14° 14' W and appeared to have changed course East by South East since her previous report.

No new positions had been received from the Great Escape (Holland) or CS and RB II Busnelli (Italy).

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. (01-836 3161) ENGLISH NATIONAL OPERA Tonight & Sat. 7.30 La Belle Helene. Tomor. 7 Der Rosenkavalier. Tues. 7.30 Madam Butterfly. Wed. 6.30 Don Carlos.

NEW VICTORIA THEATRE. 01-834 0671. Opposite Victoria Station. LONDON FESTIVAL BALLET. Evs. 7.30. Mat. Sats. 3. Until Sat.: SWAN LAKE. Ton't: Evdokimova, Breuer. Tomor.: Ruanne, Bart. Sat. mat.: Hill, von Loggenburg. Sat. eve.: Gielgud, Luders. Next week Dances from Napoli, Prodigal son (in ragtime).

SADLER'S WELLS TH. Rosebery Ave. EC1. 837 1672. 25 Sept. to 18 Oct. THE ROYAL BALLET

THEATRES

ADELPHI THEATRE. 01-836 7611. Evgs. 7.30. Mat. Thurs. Sat. 3.00. JEAN SIMMONS ANGELA BADDELEY JOSS ACKLAND in A LITTLE LIGHT MUSIC "Music that Ravishes the Senses. A Show Kissed with Genius." Guardian. Seats available for Matinee today.

ALBERY. 836 3878. Last 5 weeks. Evenings 7.45. Sat. 3.00 and 8.00. RETURN BY PUBLIC DEMAND Evening Standard Drama Award 1974 for BEST COMEDY OF THE YEAR RSC in Tom Stoppard's TRAVESTIES Limited season. Must end Oct. 11.

ALDWYCH (RSC). 836 6404. Air cond. Recorded booking info. 836 5332. Tonight 7.30 LAST PERF. of Charles Wood's new comedy. JINGO SEPT. 18 FOR LIMITED SEASON Harley Granville Barker's THE MARRYING OF ANN LEETE (Reduced price prevs. Sept. 16, 17 Run ends October 18).

AMBASSADORS. 01-836 1171. Evgs. 8.0. Sat. 5.30 and 8.30. Mat. Tues. 2.30. HAPPY AS A SANDBAG A musical by Ken Lee

APOLLO. 437 2663. Evenings 8.0. Mat. Thur. 3.00. Sat. 5.00 and 8.30. MARGARET LEIGHTON ALEC GUINNESS in A FAMILY AND A FORTUNE Final 4 weeks—must end Oct. 4.

ARTS THEATRE CLUB. 836 3334. Great Newport St. (adj. Leic. Sq. Underground). Instant temp. membership avail. 15p. Evenings Tues. to Sun. at 8.00. ANNIE ROSS MIRIAM MARGOYLES KENNEDY'S CHILDREN "The play is fantastic." Observer

CAMBRIDGE THEATRE. 836 6056. Michael DENISON, Derek GRIFFITHS, Val PRINGLE, Norman BEATON in THE BLACK MIKADO "THE BEST MUSICAL OF 1975 AND PROBABLY 1976 and 1977 AS WELL." S. Times. Ev. 8.0. Wed., Sat. 5.0, 8.15.

CHICHESTER. 0243-86333. Tonight & Sept. 12 at 7.0. Sept. 13 at 2.0 OTHELLO Today at 2.0. Sept. 13 at 7.0 MADE IN HEAVEN.

COCKPIT THEATRE. 01-402 5081. Last 3 days. Evenings 7.30. National Youth Theatre in A SIGHT OF GLORY

GLOBE THEATRE. 437 1592. BEST PLAY OF THE YEAR Evening Standard Drama Award RONALD PICKUP in THE NORMAN CONQUESTS By ALAN AYCKBOURN. LIVING TOGETHER Tnt. 8.15, Sat. 8.30. Wed. 3.0: R'ND AND R'ND THE GARDEN Tomor. Mon. Wed. 8.15: TABLE MANNERS Sat. 5.30, Tues. 8.15.

GREENWICH. 01-858 7755. Tonight 8.0. MEASURE FOR MEASURE Fri. 8.0. Sat. 2.30, 8.0. ALL'S WELL THAT ENDS WELL.

HAYMARKET. 930 9832. Evgs. 7.45. Mat. Wed. 2.30. Sat. 4.30 and 8.00. JOHN CLEMENTS in Ronald Millar-C. P. Snow's THE CASE IN QUESTION "An excellent evening's entertainment ... an enthralling story." Harold Hobson. Sunday Times.

HER MAJESTY'S. 930 6606. Evgs. 8.0. Fri. and Sat. 6.0 and 8.40. HAIR MUST END SEPTEMBER 27

KING'S ROAD THEATRE. 352 7488. Mon. to Th. 9.00 Fri., Sat. 7.30, 9.30 ALIVE ON STAGE THE ROCKY HORROR SHOW "BEST MUSICAL OF THE YEAR" Evening Standard Drama Award.

LYRIC. 01-437 3686. Evenings 8.00. Wed. and Sat. 5.45, 8.30. "THIS MAGICAL MUSICAL." Gdn. HAPPY END "IS A GEM." Sunday Telegraph.

MAY FAIR. 629 3036. Fully air cond. Evgs. 8.15, Sat. 5.30 and 8.40. BILLIE WHITELAW, BARBARA FERRIS and DINSDALE LANDEN in ALPHABETICAL ORDER "Michael Frayn's comedy is a delightful experience." Evening Standard.

MERMAID. 248 7656. Food 248 2835. Evenings 8.0. Mat. Thurs., Sat. 4.0. Bernard Shaw's ON THE ROCKS "Witty, provocative, prophetic." "It never ceases to seethe and bubble." ONE OF SHAW'S VERY BEST. SEATS FROM 75p to £2.50 OR COMBINED DINNER AND THEATRE TICKET FOR £4.95.

NEW LONDON, Drury Lane. 405 0072. Mon. to Th. 8.00, Fri., Sat. 6.0, 8.45. KWA ZULU "Probably the most compulsively enjoyable musical show in London." F. Times. Theatre Fully Air Conditioned. Ends Sept. 20. Transfers due to public demand Piccadilly Theatre Sept. 23.

OLD VIC. THE NATIONAL THEATRE. 928 7616. Today 2.15 (Red. price Mat.) Ton't & Wed. at 7.30. PHAEDRA BRITANNICA by Tony Harrison after Racine's Phedre. Tomor., Mon. & Tues. at 7.30. Sat. at 2.15 & 7.30 ENGAGED

PALACE. 437 6834. Mon.-Thur. 8.00. Fri. and Sat. 6.00 and 8.40. JESUS CHRIST SUPERSTAR

PALLADIUM. 437 7373. Evenings 7.30. Mats. Wed., Sat. 2.45. LESS THAN 65 PERFORMANCES LEFT TO SEE TOMMY STEELE in LONDON'S MOST BEAUTIFUL MUSICAL.

ROYAL COURT. 730 1745. Evgs. at 8. Sats. 5 and 8.30. HELEN MIRREN TEETH 'N' SMILES by David Hare "Totally wonderful." N.M.E.

ST. MARTIN'S. 836 1443. Evenings 8.00. Mat. Tues. 2.45. Sats. 5.00 and 8.00. AGATHA CHRISTIE'S THE MOUSETRAP World's longest-ever run. 23rd YEAR

SAVOY. 836 8888. Evenings at 8. Mats. Wed. at 2.30 and Sat. at 5. Barbara MULLEN and Derek BOND in AGATHA CHRISTIE'S MURDER AT THE VICARAGE

SHAFTESBURY. 836 6596. Previews from September 28. Opens October 2. LIVE ON STAGE ARTHUR LOWE, JOHN LE MESURIER, CLIVE DUNN in DAD'S ARMY A NOSTALGIC MUSIC AND LAUGHTER SHOW OF BRITAIN'S FINEST HOUR

SHAW. 01-388 1394. Last 3 Days. Evgs. 7.30. Mat. Th., Fri. 2.30. NATIONAL YOUTH THEATRE in Peter Terson's ZIGGER ZAGGER

STRAND. 836 2660. Evenings 8.00. Mats. Thurs. 3.00. Sat. 5.30 and 8.30. DORIS HARE, LEO FRANKLYN, RICHARD CALDICOT, ANDREW SACHS NO SEX PLEASE, WE'RE BRITISH Directed by Allan Davis. LONDON'S LONGEST LAUGH. 5th YEAR

TALK OF THE TOWN. 01-734 5051. From 8.15 Dining and Dancing. At 9.30 New Revue SWEET TEMPTATIONS and at 11 p.m. VINCE HILL

VAUDEVILLE. 836 9988. Fully air cond. Evs. 8.00. Mat. Tu. 3.0. Sat. 5.30, 8.45. MILLICENT MARTIN, AMANDA BARRIE in ALAN AYCKBOURN'S ABSURD PERSON SINGULAR Best Comedy of Year, E. Std. Award '73

VICTORIA PALACE. 01-834 1317. Evenings 8.00. Wed., Sat. 6.00, 8.45. MAX BYGRAVES "SWINGALONGA MAX" Song and laughter spectacular with Great Company MUST TERMINATE OCTOBER 25

WESTMINSTER. 834 0283. Evenings 8.00. Sats. 5.15, 8.30. Wed. 2.30. Brief Old Vic Musical Story of Great "Gilbert and Sullivan" partnership. TARANTARA! TARANTARA! "A shining gem"—Mail. "This delightful show"—Evening News. "Full of life and wit"—Harold Hobson, Sun. Times.

WHITEHALL. 930 6692/7765. Evgs. 8.0. Fri., Sat. 5.45, 8.45. "ORTON'S richest and funniest." Gdn. WHAT THE BUTLER SAW Dir. by Lindsay Anderson. "I came away aching with laughter." Daily Mail

WINDMILL THEATRE. 437 6312. PAUL RAYMOND presents LET'S GET LAID featuring JOHN INMAN—"ARE YOU BEING SERVED?" Twice Nightly at 7.00 and 9.00. 2nd SENSATIONAL YEAR.

WYNDHAM'S. 836 3028. Mon.-Fri. 8.00. Sats. 5.00 and 8.30.

"THE BEST THRILLER EVER"—New York Times. 6th GREAT YEAR. LAST 7 WEEKS—ends Oct. 25.

GARRICK. 836 4601. Mon.-Thur. 8.15. Mat. Wed. 3.0 (reduced prices). Fri. 6.40. Sat. 5.0 and 8.40. RICHARD BRIERS "Hilarious." E. Stand. ABSENT FRIENDS "ALAN AYCKBOURN'S FINEST FUNNIEST PLAY." H. Hobson. S. Times.

THE FESTIVAL OF EROTICA '75

REGENT. 323 2707. Evenings 8.30. Fri. and Sat. at 7.00 and 9.15. 2nd YEAR OF SENSATIONAL STAGE SHOW OF THE 70's LET MY PEOPLE COME AN ADULT MUSICAL "Never a dull moment." Evening News. 100 tickets held for sale at door.

CINEMAS

ODEON LEICESTER SQUARE (930 6111) James Caan ROLLERBALL (AA) Sep. Progs. 1.15, 4.15, 8.00. Late Show Fri. and Sat. 11.20. All seats may be booked.

CINEMAS ARE CONTINUED ON PAGE 27

TV Radio

† Indicates programme in black and white.

BBC 1

12.30 p.m. Treftadaeth '75. 12.55 News. 1.00 Pebble Mill. 1.45 Ragtime. 3.58 Regional News (except London). 4.00 Play School. 4.25 Barbapapa. 4.30 Jackanory. 4.45 Blue Peter. 5.10 John Craven's Newsround. 5.15 Salty. 5.40 Hector's House.

5.45 News.
6.00 Nationwide.
6.45 To-morrow's World.
7.10 Top of the Pops.
7.45 The Two Ronnies.
8.30 Mastermind.
9.00 News.
9.25 "Days Of Hope" (series of films from the Great War to the General Strike).
11.00 To-night.
11.35 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Wales—5.15-5.40 p.m. Bilidowcar. 6.00-6.45 Wales To-day. 6.45 7.10 Heddiw. 8.30-9.00 Y Terfyn. 11.35 Holiday prospects; News of Wales.

Scotland—6.00-6.45 p.m. Reporting Scotland. 11.35 Holiday prospects; Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.45 Scene Around Six. 11.35 Holiday prospects; Northern Ireland News Headlines.

England—6.00-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

6.40 a.m. Open University.
11.00 Play School.
5.25-6.40 p.m. and 7.05-7.30 Open University.
7.30 Newsday.
7.55 Lost.
8.10 Lord Peter Wimsey.
9.00 All in the Family.
9.25 Ten Years of Man Alive.
10.15 Gardeners' World.
10.45 It's a Small World.
10.55 Open Door Forum.
11.25 News Night.
11.40 Closedown: Barry Foster reads "Cornish Cliffs" by John Betjeman.

LONDON

10.25 a.m. A Big Country. †10.55 "Death Trap," starring Albert Lieven. 11.50 Galloping Gourmet. 12.15 p.m. Untamed World. 12.40 Rainbow. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 Looks Familiar. 2.00 Good Afternoon. 2.25 Racing from Doncaster. †4.25 Children's Film Matinee: Laurel and Hardy in "Great Guns."

5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 The Six Million Dollar Man.
8.00 This Week.
8.30 Man About the House.
9.00 The Stars Look Down.
10.00 News.
10.30 The Other Half of the Sky—a China memoir presented by Shirley MacLaine.
11.45 What the Papers Say.
12.00 Men, Morals and Management.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. 4.25 The Romper Room. 4.55 Fantastic Voyage. 5.20 Supersonic. 6.00 About Anglia. 6.20 Arena. 7.00 Gambit. 7.30 The Protectors. 10.30 Time Was ... 11.00 Maude. 11.30 The Living World.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 4.25 The Funky Phantom. 4.50 Castaway. 5.20 Batman. 6.00 ATV Today including Police Five. 7.00 Space 1999. 10.30 Gardening Today. †11.00 Feature Film—For Adults Only: "Bachelor Party," starring Don Murray.

BORDER

†1.20 p.m. Border News. 2.00 Women Only. 4.25 Catch Kandy. 4.50 Fantastic Voyage. 5.20 Supersonic. 6.00 Border News and Lookaround. 7.00 Space 1999. 10.30 The Collaborators. 11.25 Seven Ages of Fashion. †11.55 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 4.25 Follyfoot. 4.50 Castaway. 5.20 The Adventurer. 6.00 Channel News. 6.10 Skippy. 7.00 Space 1999. 10.30 North By South West. 11.00 Night Gallery. 11.45 News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.00 Women Only. 4.25 Survival. 4.55 The Beachcombers. 5.20 Supersonic. 6.00 Grampian News. 6.10 The Adventurer. 7.00 Space 1999. 10.30 Theatre of Stars. 11.35 Play A Tune. 11.65 Evening Prayers.

GRANADA

9.30 a.m. Voice in the Fingers. 10.20 Here Comes The Future. 10.45 A Place To Live. 11.00 It's Fun to Read. 11.05 Wild Australia. 11.30 Night Flight to Berlin. 12.20 p.m. Master Chefs. 12.30 Cartoon. 1.20 This Is Your Right. 4.25 The New Land. 5.15 Dodo. 5.20 Crossroads. 6.00 Granada Reports. 6.35 Mid-Week Movie: "The Missing Are Deadly," starring Leonard Nimoy. 10.30 Orson Welles Great Mysteries. 11.00 What The Papers Say. 11.20 Twilight Zone. 11.45 Inner Space.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.25 Lost In Space. 5.20 Help! 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 Mr. and Mrs. 10.30 One Hundred Somerset Summers with John Arlott. 11.00 The Late Film: "The Evil of Frankenstein," starring Peter Cushing.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25 Miri Mawr. 4.55 Miri Mwy. 4.50-5.20 King Kong. 6.01-6.18 Y Dydd. 10.30-11.00 Countryside.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Sport West.

SCOTTISH

1.25 p.m. Road and Weather Report. 2.00 Housecall. 4.25 The Flintstones. 4.50 The Adventures in Rainbow Country. 5.20 Babar. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Second City, First Citizen. 7.00 Space 1999. 10.30 The Seven Ages of Fashion. 11.00 Late Call. 11.05 Dilemma—Guest: Lord MacLeod of Fuinary.

SOUTHERN

11.00 a.m. Aurum. 11.30 Just Me and the Kids. 11.55 Wait Till Your Father Gets Home. 12.20 p.m. Hammy Hamster's Adventures on the Riverbank. 1.20 Southern News. 2.00 Women Only. 4.25 Tarzan. 5.20 Betty Boop. 5.25 Crossroads. 6.00 Day by Day. 6.00 The Thursday Film: "The Day the Earth Moved," starring Jackie Cooper and Stella Stevens. 10.30 Your Men at Westminster. 11.00 Movin' On. 12.00 Southern News Extra.

TYNE TEES

12.35 p.m. Starting Point. 1.20 Lunchtime News and Lookaround. 2.00 Women Only. 4.25 The Lone Ranger. 4.50 The Partridge Family. 5.20 Supersonic. 6.00 To-day at Six. 7.00 Space 1999. 10.30 Orson Welles Great Mysteries. 11.00 A Place in History. 11.30 Late News Extra. 11.35 Questions Jesus Asked.

ULSTER

1.20 p.m. Lunchtime. 4.23 Ulster News Headlines. 4.25 Lost in Space. 5.20 Supersonic. 6.00 UTV Reports. 7.00 Space 1999. 10.30 Gardening To-day. 11.00 What's It All About.

WESTWARD

12.00 The Master Chefs. 12.15 p.m. Untamed World. 12.30 Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.25 Follyfoot. 4.50 Castaway. 5.20 The Adventurer. 6.00 Westward Diary. 7.00 Space 1999. 10.30 North by South West. 11.00 Night Gallery. 11.40 Westward Late News. 11.43 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 4.25 The Lone Ranger. 4.50 The Partridge Family. 5.20 Supersonic. 6.00 Calendar. 7.00 Space 1999. 10.30 Emmerdale Farm. 11.25 Seven Ages of Fashion.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker, including the new Top 30 LPs, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 5.00 Newsbeat. 5.15 John Peel with Top Gear. 7.00-12.33 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.30 p.m. Sports Desk. 1.55 Good Listening (VHF) 2.02 David Hamilton (S) as Radio 1, but including on 1,500m only (also 202m Scotland) 2.45, 3.45 and 4.45 Sports Desk and Racing from Doncaster. 5.02 Waggoners' Walk. 5.17 Len Jackson (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Games People Play. 7.30 Sports Desk. 7.32 Robin Richmond: The Organist Entertains (S). 8.02 Folk 75 (S). 8.30 Folkweave (S). 9.02 Billy Ternent and his Orchestra in Radio 2 Ballroom (S). 10.02 Sports Desk. 10.05 Don Durbridge with Music Through Midnight (S) including 12.00 News. 12.31 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

‡ Medium Wave only

7.00 a.m. News. 7.05 Overture: Dvorak, Sibelius (S). 8.00 News. 8.05 Morning Concert: Bach, Telemann, Beethoven (S). 9.00 News. 9.05 This Week's Composer: Brahms (S). 9.45 Orpheus Brittanicus (S). 11.00 Edinburgh Festival concert, part 1: Prokofiev, Mozart. 11.40 Festival Comment. 11.55 Concert, part 2: Rossini, Janacek. 12.35 p.m. Masters of the Classical Guitar (S). 2.00 News. 1.05 Mahler's Third Symphony (S). 2.40 Concert Club (S). 3.40 Bach, Maxwell Davies and Handel concert, part 1 (S). 4.30 Interval Reading. 4.35 Concert, part 2: Bach, Handel. 5.15 Cello and Piano Recital (S). ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.30 Study On 3. 7.30 Fifty Years a Showman. 8.00 Proms: "The Coronation of Poppea," music by Monteverdi, Act 1 (S). 9.10 Roll, Jordan, Roll. 9.30 Proms: "The Coronation of Poppea," Acts 2 and 3 (S). 11.05 Villa-Lobos (S). 11.25 News.

Radio 3 VHF only—6.20-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer For The Day. 6.45 Today including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today. 7.27 Sportsdesk. 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather; programme news. 8.00 News and more of Today. 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 The High Window. 9.00 News. 9.05 These You Have Loved (S). 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Wogan's World. 11.50 It's An Odd World. 12.00 News. 12.02 p.m. You and Yours. 12.27 Does The Team Think? ‡12.55 Weather, programme news, VHF (except London and S.E.) Regional News. 1.00 The World At One: News. 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre. 3.50 Jack de Manio Precisely including 4.00-4.05 News. 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report: VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 I'm Sorry I Haven't A Clue. 6.45 The Archers. 7.00 News Desk. 7.30 27 Years Of "Any Questions?" 8.00 The War In Secret. 8.45 School Report. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight: News. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 The Political Class. 11.30 News.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.02 Downtown. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 206 Showcase. 4.03 Sound Out. 4.32 Home Run including London News Desk at 5.00 and 6.00. 7.00 In Town. 8.00 Rail. 8.30 In Concert. 10.03 Robbie Vincent's Late Night London. 12.00-12.35 a.m. As Radio 2.

London Broadcasting

261m and 97.3 VHF

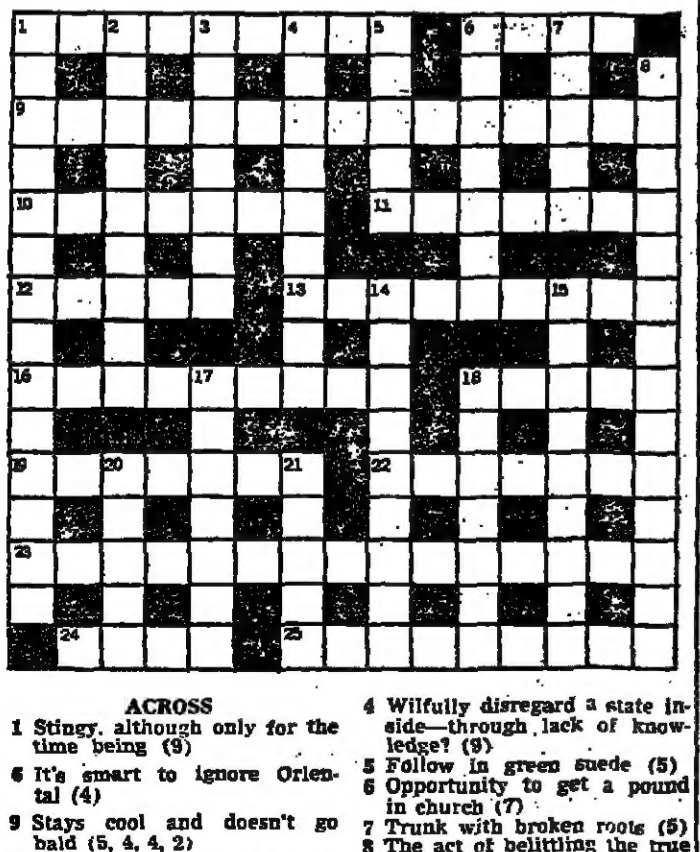
5.00 a.m. "A.M.": breakfast-time show with interviews, traffic and travel service, plus sport. 10.00 George Gale—talks to London. 12.00 Newswatch. 6.00 p.m. Newsbreak. 7.30 Jazz in Stereo, presented by Andrew Carnegie. 9.00 Love in London presented by Adrian Love. 1.00-5.30 a.m. Nightwatch—news every half-hour.

Capital Radio

194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and "Swapshop." 12.00 Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It: Nicky Horne's rock show. 11.00 Tony Myatt and his late night show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,877



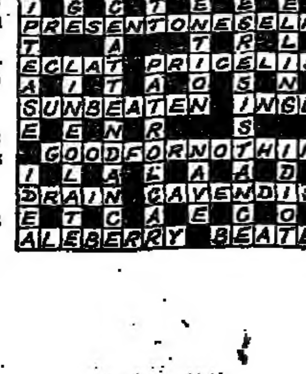
ACROSS

1 Stingy, although only for the time being (9)
6 It's smart to ignore Oriental (4)
9 Stays cool and doesn't go bald (5, 4, 4, 2)
10 Clique go to trade-show in fine weather (3, 4)
11 Put in field after turning north-east (7)
12 Make conversant with poetry (5)
13 Young children run back and put fish in ship (9)
16 Flexible concerning one in silent surroundings (9)
18 Earth to be found in flatter range (5)
19 Like plain paper or cheap jackets (7)
22 Outstanding performer with vocal inflexion is solvent (7)
23 Former fairy people I least disturbed to test a theory (15)
24 Quantity of herrings right in the tin (4)
25 Illumination used by photographers and motorists (4-5)

DOWN

1 Approaches and composes preliminary musical pieces (5, 9)
2 Holes in cameras (9)
3 We take in a deer but it's naturally a loss (7)
4 Wilfully disregard a state inside—through lack of knowledge? (9)
5 Follow in green suede (5)
6 Opportunity to get a pound in church (7)
7 Trunk with broken roots (5)
8 The act of belittling the true facts at the foot of a financial record (5-9)
14 Rush round transport to be educated again (9)
15 Ran up before arguing about a contraction (9)
17 In this it is eventually a Marathon. . . . (4, 3)
18 . . . . as far as eastern sprig on foot (3-4)
20 The French for each outcast (5)
21 Tips, but in low spirits (5)

Solution to Puzzle No. 2,876



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...esley Duff and Trevor Jones in 'Happy As A Sandbag' which opened last night at the Ambassadors

Old Vic

Phaedra Britannica

by B. A. YOUNG

Poet Tony Harrison and director John Dexter—poet John Dexter, too—have accomplished what must seem an almost impossible task. They have adapted the high poetical drama of Racine for the English stage as effectively as last year they organised Molière's *Le Misanthrope.*

It has required a more wholesale alteration than the Molière. This is virtually a new play (and indeed is credited to Tony Harrison in the programme, with the qualification "after Racine"). The action has been removed from prehistoric Greece to 19th century India, and in this new surrounding the story fits completely. Phèdre has become The Governor's Wife; her confidante Oenone is a trusted ayah; Hippolyte is the Governor's son by a former, Indian, wife, and his beloved Aricie the daughter of a mutinous Indian prince.

India, with its multiplicity of savage gods, its jungles full of menacing beasts, the erotic nature of so much of its art and religion, offers everything that Greece offered. The whole story of *Phèdre* is about sex, though you may call it "love" if it sounds more classical. It is as natural for the Governor, who has lived long years in India and had an Indian wife, to call down the wrath of Siva on his son as in Racine it is for Thésée to call on Neptune; and what more likely than that Thomas Theophilus, the son, should be killed by a monster in the jungle, and the monster taken to be an avatar of Siva?

In Tony Harrison's remarkable verse the characters in the drama are both live and emblematic, Englishmen and Indians in 19th century Rajputana on one hand and actors in a great symbolic folk-drama on the other. The verse is couched in the same current conversational vein as we hear in *The Misanthrope*, but this time Mr. Harrison does not have the helpful advantage of using tricks of light verse. Sometimes the words seem like straight prose: "I want the truth from you. I want it now." Even when it reaches great heights of drama, it keeps one foot on the ground:

> Is it so much to die? To one who's wracked
> by great torment it's a very simple act.
> The only fear that lingers in my mind
> is for my children. The shame I leave behind.

It is above all dramatic. We start with the advantage that the first long speech of the play is delivered by Robert Eddison as Burleigh, Thomas's tutor, and Mr. Eddison is not only a fine actor but one of the best verse-speakers we have. His subtle handling of the lines leads us into acceptance of the style, the everyday phrases that express transcendent matters. Near the end of the play Mr. Eddison has a long speech in which he describes Thomas's death. His speaking of it is quite superb.

Through this flexible medium the narrative emerges more vividly than Racine in English ever has in my experience. There was not a moment when I felt, as I sometimes have, that the action was being held up for the actors to display their ability to recite. The actors have indeed something better to do, for the performances are as near faultless as we are likely to encounter very often.

For the Governor's Wife, Diana Rigg puts on a consular dignity that emphasises with both horror and pathos her guilty love and the subsequent deceits. The play rises to a fine climax at the point where she avows her love for the embarrassed Thomas, then tries to kill herself with his sword when he rejects it. Later, when the whole sordid business is beginning to come out after the Governor's unexpected return, she reaches unplumbable depths of dejection:

> My Hell is India, always at *high noon*,
> with no relief of night, and no monsoon,
> and under that red sun's remorseless stare
> mankind's grossest secrets are laid bare.

Alaknanda Samarth, who has worked with the Indian National Theatre, is good as the Ayah, all misdirected sympathy as she tries to understand the Englishwoman's way of love. The captive Princess Lilamani is movingly played by Diana Quick, and David Yelland brings the right youthful pride to the part of Thomas Theophilus, though I felt that he sometimes failed with the verse, inserting too many uncalled-for hesitations for purposes of emphasis. The Governor is splendidly done by Michael Gough; he demonstrates a lifetime of imperial command with his first words, and in his final moments of deprivation combines dignity and distress with uncommon skill.

There is a lofty set by Tanya Moiseiwitsch, tall pillars suggesting the luxuries of the Governor's Residency, with a faint glimpse of India through the lattice of the arches windows beyond. The figures, in their military uniforms, their rigid Victorian dresses or their soft silken Indian dresses move about it as if they were all drawn with the same brush. The production is an *unqualified triumph.*

Theatre Royal, Nottingham

Seymour's Giselle

by CLEMENT CRISP

After acclaimed performances of *Giselle* at the Athens and Edinburgh Festivals with the Touring Group, Lynn Seymour's incarnation of Gautier's heroine in Nottingham on Tuesday night was clearly one of the especial treasures of the Royal Ballet. It is a role for which she has every gift needed—a lambent, pearly style; dramatic mastery — but there is now such authority and such depth to her reading that the drama seems as urgent and personal as in any of the great roles (Anastasia, Juliet) that have been made for her.

In Seymour's interpretation, as in Makarova's, the ballet is reconsidered, re-thought. Nothing is accepted as mere tradition. From the sunny, slight gauche girl who first appears at the cottage door to the protective wraith who confronts the vengeful Myrtha over the exhausted body of Albrecht just before the morning sun dispels the Wilis' power, every gesture, every danced phrase is fresh, spontaneous. Seymour's glorious maturity of artistry, and her new-found strength, mean that the dancing looks girlishly eager in Act 1, with all the pretty curves and graces of a not over-stated period style. But, of course, it is in the mad-scene *that greatness sits on* this first act. With hands outspread in a marvellous questioning pose, she sees Albrecht greet Bathilde, and then seems to dash headlong into despair.

The subsequent collapse is total. Driven by some terrible frenzy she snatches the sword and for an eternal second looks at it before driving it brutally into her heart—there has been no earlier sign of heart disease to prepare us for her death. The expressive physical imagery with which Seymour traces Giselle's end is utterly moving: head flung back she relives past happiness; frantically shaken by Hilarion she almost falls from his arms and then collapses in agony in Albrecht's embrace. It is a uniquely powerful and beautifully controlled display of dramatic dancing at its finest.

The Wili of Act 2 is presented in no less compelling terms. The wonderful softness of the dances, phrased so that gesture seems to float on the air, the *ronds de jambe* of the solo brushed in with exquisite delicacy, are warmed by a tenderness that speaks of her undying love for Albrecht. And here, as in the first act, Desmond Kelly shows once again that he is one of the finest Albrechts of to-day: noble in manner, sensitive in acting, elegant in technique and impeccable in partnering. A joint performance, in sum, of outstanding merit, and one to be honoured.

Record Review

Solomon & Michelangeli

by DOMINIC GILL

Beethoven: Piano concertos 1-5. Solomon with Philharmonia Orchestra/Menges, Cluytens. EMI SLS 5026 (boxed set of four discs, £6.60)
Haydn: Piano concertos in D and G (nos. 4 and 11). *Michelangeli with Zurich Chamber Orchestra/de Stoutz.* EMI ASD 3128 (£2.65)
Schumann: *Carnaval* op. 9, Three pieces from *Album for the Young*. Michelangeli. EMI ASD 3129 (£2.65)

Solomon was one of the great pianists of this century, and perhaps the greatest pianist that this country has ever produced. The stroke which robbed him of the use of his right hand in 1956, at the height of his maturity and his career, was one of the musical tragedies of this age. I remember the shock and disbelief I felt when I heard the news. He seemed at that time to be so much an indivisible, indestructible part of musical life—impossible to believe one would never hear him again.

We could, and did, of course, luckily hear him again. The first set of LP's, indeed, that I ever collected was Solomon's set of the Beethoven piano concertos — all of them now lost or broken, except the G major, now worn almost beyond audibility by, I suppose, literally hundreds of hours of mine and others' playing. They have not been available since 1963 — though it is quite inconceivable that they can have remained out of the catalogue for so long. For they are, simply, the finest set on record of the Beethoven piano concertos that I know.

Such lack of commercial confidence is not difficult to understand. In a culture bedevilled by image and hero-cult, Solomon never sought to make for himself an "image." And most particularly—as Joseph Cooper points out keenly in his tribute in the accompanying booklet—these are not performances which are instantly recognisable as "Solomon's," inalienably his own. They are, rather, instantly recognisable as Beethoven; and only gradually, as one listens to the music, does one realise that playing of such exalted quality, of such technical mastery, but above all of such humility, such diligent subservience (in the highest sense) to the composer's art, could belong to Solomon alone.

Some listeners, perhaps, who have grown up with other performances, or who look to Beethoven for another kind of stimulation entirely, may find here something of the "impersonal" or austere. I can only urge them patience. Or maybe, as a sampler, the fourth concerto: its first movement shaped with such innocence, yearning, exquisite joy; the andante, a moment of perfect stillness; the finale, all light, buoyant energy, and air. But to mention one performance is to mention all—the first movement C major no. 1, bright, brilliant and gay; its slow movement divinely simple; the finale careless, bubbling with good humour, never driven beyond the mark. The marvellous phrasing, subtle expressive shading, and perfect rubato sense (after Chopin's classic definition) of the B flat concerto's adagio, and its finale's witty, pungent emphasis. The real *largo* tempo of the C minor slow movement, poised breathless, in a series of quiet reverse-climaxes, between voice and silence. The fire, energy and titanic spring of the Emperor, contained with wonderful classical poise and restraint.

A shortlist of superficial impressions to be sure: for the power of these performances lies as much in the detail of every bar as in the broad sweep of *their movement.* With the Philharmonia Orchestra both Menges and Cluytens prove able and sympathetic partners: Menges in the Emperor especially, and Cluytens notably in the fourth concerto, strong and clear, sustaining high tension in slow, even tempi. Considering the dates of the recordings (all made between 1952 and 1956), the sound quality is excellent. The electronic stereo reprocessing of Nos. 2, 4 and 5, originally recorded in mono, is for once neither unnatural-sounding nor intrusive, sensitively engineered.

The first of these two new discs from Michelangeli (the first fruit of a new contract with EMI) is a little difficult to account for. It is, unarguably,

Book Reviews appear on Page 29

"to the discredit of many of Haydn's biographers that his dozen or so keyboard concertos have been lumped together as insignificant pot-boilers, or have as often escaped even a mention." But Michelangeli hardly seems to go far out of his way here to champion the special qualities of the music: or even to present them, as he might without going any distance at all, as charming and delightful works, finely wrought for entertainment in the elegant 18th-century tradition.

I found his account of the comparatively well-known D major concerto specially disappointing: brisk to the point of brusqueness, etched in the most oddly dry and uncharacteristic of piano timbres—an effect one assumes must be intended to impersonate an early fortepiano, or perhaps, more authentically, a harpsichord. The manner, and the touch, only melt briefly in the lovely adagio of the G *major* concerto — still odder effect. Early instruments could also sound expressive. What can it have been exactly that Michelangeli had in mind?

His Schumann recital, on the other hand, contains the purest magic. Michelangeli's *Carnaval* is a winter carnival, drawn in deep winter colours, full of vivid contrasts of dark and light. He frames the picture with three pieces from *Album for the Young*—the austere *Wintertime I*, and the *Sailor's Song*, given very slowly as introduction, dark and sad, an inscription of foreboding and regret. The "Préambule" of *Carnaval* is also played slowly, underlining Schumann's *quasi maestoso*, with marvellous clarity and precision of weight. A deliberate "Pierrot," of strangely ritual quality; Eusebius's a loving, but lonely voice in a snowy landscape; Florestan's *passionato* not wildness or fury, but powerful, forthright, alone.

Michelangeli's unrelenting insistence on the most rigorous clarity of articulation heightens this sense of aloneness: each note, gesture, meticulously defined, alone. But there is wholeness to the performance too: a tough thread of inspired virtuosity, and many moments of exciting piano alchemy—wonderfully light, tantalising "Lettres dansantes"; an overwhelming "Pagnini," each semiquaver like a gunshot; a haunted, secret "Aveu"; a "Promenade" and a final "Marche," both firmly (and correctly) *non allegro*, full of astonishingly simple, subtle pointing. As a coda, and end-frame, hardly before the final chords have died away, comes *Wintertime II* from the *Album* —a single lyrical line leads from winter into spring. A very strange and memorable sequence —which at each new hearing uncovers something new.

Albert Hall/Radio 3

The Cleveland

by GILLIAN WIDDICOMBE

The Cleveland Orchestra, which began a four-week European tour with a splendid welcome on Tuesday at the Albert Hall, is the string quartet of the American symphony orchestras. Chicago may be the virtuoso, more brilliant and driving; Philadelphia the honey-pot, liquid and lyrical. But the Cleveland is surely the one which excels in ensemble, and gives the strongest impression (even stronger than the Berlin Philharmonic) that individual players are matching colour, weight, volume—and all other details of phrasing and timing. Tuesday's concert contained some of the most elegantly turned orchestral playing heard in a long time. First, a gentle performance of Ives' *Three Places in New England*; then a sensational account of the suite from Bartok's *Miraculous Mandarin*, mixing bravura attack with exquisite solo playing; and finally a slow reading of Beethoven's *Eroica* symphony, thoughtful in pulse but never heavy in texture.

Lorin Maazel was conducting. I last heard the Cleveland in Carnegie Hall three years ago, at around the time his Musical Directorship began. He was not conducting on that occasion; and of course it's absurd to compare anything in such different halls. But Tuesday's performance of the *Eroica* included a number of hints as to how well Maazel's work suits them, and vice versa. Maazel is second only to Karajan (if at all) as an elegant ear and a *fastidious orchestral polisher.* And although the Cleveland does not need a good technician—chord sensitivity between principals is such that it could put out a good *Eroica* even with Bernard Levin—it thrives on Maazel's obvious and rare delicacy in preparing the exact nuance of a string staccato, the sense of direction in slurred semiquavers, and the idiot-proof attack of crisp cadences such as the *Eroica's* closing flurry.

The Cleveland woodwind play like chameleons. All the best American orchestras have ensemble woodwind sections rather than solistic players: nonetheless, Tuesday's versatility was amazing. One moment, solo flute colouring to match soft horns, with a melancholy, tender sound; the next, narrowing and brightening to double first violins. Solo oboe *beginning some entries in* the *Eroica's* funeral Adagio (or rather, Maazel's Lento) with the quiet purity of a silver bell heard at long distance. Yet in the Bartok, the oboes raised their instruments high (like the horns in Mahler's First Symphony) and *produced an eerie, plangent* sound, with wide vibrato and fierce projection. Vibrato is more evenly matched, both by wind and whole string sections, than in any other orchestra I know.

Maazel refused the exposition repeat in the first movement of the *Eroica*, which seemed a pity because he could have shaded it cleverly. However, I liked the clarity and mild expressivity of his interpretation. It seemed fresh and intimate, without sounding too personal. This is Maazel's first European tour with the Cleveland. Shame that their only British concert was this one in the Albert Hall.

RPO's 'best year ever'

The Royal Philharmonic *Orchestra* has had its best year ever—artistically and financially —with the biggest overall commercial surplus (£22,345) of all the four independent London orchestras. The RPO also shared the lead for attendances at the Festival Hall, the London Philharmonic Orchestra's figure of 82.4 per cent. being just 0.4 per cent. higher than the RPO's 8.97.

More than 100 per cent. audiences—standing room only, in fact—was the achievement for the orchestra's Wednesday series at Fairfield, Croydon, while the seven concerts in the Beethoven Festival at the Albert Hall with the RPO's new conductor, Antal Dorati, were attended by 40,000 concertgoers.

Young British composers will be given a big chance during the *1975-76 season. Following closely* on the world premiere of Richard Rodney Bennett's *Spells* for the Three Choirs Festival at *Worcester* last month, there will be two more "first performances" at the Festival Hall in October; David Morgan's *Sinfonia da Requiem*, under the baton of Sir Charles Groves, the RPO's associate conductor, on October 26—and two days later, Andre Tchaikowsky's *Piano Concerto*, with Radu Lupu as soloist.

The orchestra opened its season last night at Fairfield, Croydon, with another first performance — this time of Howard Blake's *Movement for Orchestra*. This will be followed by the première of a new work by Bryan Kelly *San Francisco*—three performances of which will also be given under conductor Arthur Davison at Fairfield's three special Christmas Concerts on December 15, 17 and 19. In addition, Wilfred Joseph's *Four Horsemen of the Apocalypse will be featured at* the Festival Hall on April 15.

DEBORAH PICKERING

King's Theatre, Edinburgh

Lulu

by RONALD CRICHTON

The operatic treat for the last week of the Festival is a visit from the Deutsche Oper in West Berlin, with Berg's *Lulu* and Strauss's *Salome*. They opened on Tuesday night with *Lulu*. With the distinguished exception of the Welsh National Opera production a few years ago, Britain has had to rely on visiting German companies (Hamburg at Sadler's Wells in 1962, Stuttgart in Edinburgh in 1966), for first-hand experience of one of the richest scores this century has produced. And since *Lulu*, so infinitely worth doing, is still infrequently seen in this country, the Festival may be forgiven for importing a version which is by no means new—this seems to be the production which was the basis of the DGG recording conducted by Böhm, with Evelyn Lear and Fischer-Dieskau. Conductor and principals have changed, but some roles are taken in Edinburgh by the same singers as on the recording.

The distinction of Tuesday's performance, with Reinhard Peters conducting, Winfried Bauernfeind and Kurt Sommer responsible for reproducing Sellner's production, was to show that large portions of the opera are funny, the blackest of black farce no doubt, but not meant to be sat through with the high seriousness called by *Moses and Aaron.* I don't remember hearing so much audience laughter during any production of *Lulu*, though whether it came from the numerous Germans in the audience or from the staunch burghers of Edinburgh, I would not care to say.

The approach was summed up *by Catherine Gayer, playing the* title role in a vein of light comedy with an occasional glimpse of resigned melancholy. Miss Gayer has a lighter voice than most sopranos who tackle this difficult music. This is conceivably more or less what Berg had in mind. The ideal seems to me to be some kind of re-incarnation of Elisabeth Schumann, with orchestral playing of appropriate delicacy. Not all Miss Gayer's high phrases were like strings of pearls, but she spared us the squawks and yelps into which Lulus are so easily and so often betrayed. On the other hand the rapid vibrato which (as was noticeable in *Hermiston* earlier in the Festival) has invaded her voice, soon becomes monotonous. Until *she started to sing out in the* later stages of act two the range of vocal colour was narrow.

Physically Miss Gayer is as slim and pretty as the picture of Lulu that adorns every scene in the opera. Her large eyes re*flect rueful amusement at the* weird and often lethal series of events for which Lulu herself is so unconcernedly responsible. But what this *Lulu* fails to put over is the kernel of the matter, the fact that beyond the macabre havoc she creates round her there is an elemental, untameable, utterly amoral nature. That is not the same thing as being merely an incorrigible flirt. It was for reasons of interpretation, I think, rather than for lack of vocal metal, that Miss Gayer did not make more of Lulu's crucial solo of self-justification in the second act.

As Dr. Schön, the most considerable of Lulu's tormented lovers, Hans Günter Nöcker neatly catches the manner of an eminent pillar of the bourgeoisie struggling to keep up appearances against insuperable odds. Donald Grobe as his son Alwa, a more positive figure than usual, has an appropriate touch of the matinee idol. Patricia Johnson, dignified and smouldering, was the devoted Countess—what a pity this gifted English singer has been lost to us for so long. Barabara Scherler, Loren Driscoll, Gerd Feldhoff and Josef Greindl offered sound character studies as the remaining and strangely assorted bees round the honey pot.

The orchestra of the Deutsche Oper, crammed into the shallow pit at the King's Theatre, was naturally happiest in the interludes, played with the warmth and force of long conviction. When the curtain was up, one was now and then conscious that there were too few violins, that the saxophone blurted too strongly, that the horn parts are tricky. All the same, and for this conductor and players must share the praise, more of the words came across than usual. The black and white sets by Filippo Sanjust are economical and sometimes pretty, but over-consistent in a German way—why should the sleazy theatre dressing-room look so like Dr. Schön's luxurious salon? It may be English literalism to fuss over such matters, but if Dr. Schön dies on the floor and not on the sofa, surely the curtain-line of the following scene needs changing.

Robert Ferguson and Stella Axarlis in 'Madam Butterfly,' which opened last night at the Coliseum

WORLD TRADE NEWS

Japan to issue $143m. to help promote imports

BY PETER DUMINY

TOKYO, Sept. 10

JAPAN plans to put $143m. of foreign exchange in the hands of its close trading partners, under the import promotion scheme unveiled on August 27. Announcing this to-day, the official spokesman of the Ministry of International Trade and Industry (MITI) said that the programme could also be viewed as bringing the value of the designated imports from developing countries up to 90 per cent. of last year's total, instead of letting it drop to 70 per cent. (which would have happened if nothing had been done).

The official scheme covers purchases of copper ore/bauxite, nickel, molybdenum, tungsten, lead, zinc and woodpulp. The financial arrangements are that buyers will be able to borrow 60 per cent. of the price paid (70 per cent. in the case of copper) from the state-owned Export-Import Bank at an interest cost of 8 per cent. The balance of the purchase price would have to come from commercial banks or the companies' own resources.

Supplying countries which qualify have not been named, but no doubt they include most of Japan's trading satellites in Southeast Asia—especially the Philippines, Indonesia/Malaysia and Taiwan and perhaps Papua New Guinea.

There is little prospect that companies will jump at the chance to stockpile, since many users of the commodities are already complaining of illiquidity and inventory financing costs. However MITI makes it clear that the sole aim of the scheme is to help trading partners who have been hard hit by the repercussions of Japan's recession, strongly implying that importers will have to do as they are told. The fact that commodity prices have continued to drop since the scheme was first thought of in May should also make it easier to implement now.

No doubt the quid pro quo for firms which co-operate will be an assured financial safety net. In addition, MITI has apparently quoted the plight of these importers in urging additional expansionary measures on the Government. A fourth reflation package is expected next week.

Japan is also assisting its trading partners by means of export credits to an increased extent, the MITI spokesman said. No doubt the basic objective of the import policy, no less than of this, is to underpin exports from Japan to the countries concerned.

Israel exports hit target

BY OUR OWN CORRESPONDENT

Jerusalem, Sept. 10.

DESPITE the world-wide slowdown in economic activity, Israel has managed to step up significantly her exports to a number of markets, designated as "target countries" for 1975. First among the five thus designated for export purposes is Japan. Latest statistics released by the Ministry of commerce and Industry here show Israeli exports for the first half of 1975 of $51m., which compares with $65m. for the whole of 1974. The total for the 12 months of this calendar year is expected to be $90-100m. Main categories of goods exported are $39m. worth of polished diamonds in January/June 1975 ($53.8m. for all of 1974), $6.5m. of minerals and chemicals ($3m.), and agricultural produce $2.3m. ($7m.). Israeli imports from Japan came to $130m. in 1974 and to $25m. in January/March 1975.

A similar jump was noted in exports to South Africa which reached $18m. in the first half of this year against $28m. in the whole of 1974, with the overall 1975 figure seen as $40m. Chemicals headed the list with $5.7m. ($8.5m. in the whole of 1974), followed by machinery and equipment with $3m. ($1.8m.). Israeli imports from South Africa in 1974 totalled $43m. ($14m.) in January/March, 1975.

Two other target countries are Latin American. Exports to Venezuala are to be more than doubled from $4.3m. in 1974 to $10m. this year with the first half figure already at $6m. Shipments consist mainly of machinery and electrical equipment. Similarly, exports to Ecuador are to be raised from $2.5m. to $4m. this year. A near doubling of exports is also foreseen for the fifth target country, Cyprus, to $8m. this year from $4.3m. in 1974. Israel's imports from the last three countries are small at present, but this might change if Israel were forced to import South American crude oil.

New Indian export aid

By K. K. Sharma

NEW DELHI, Sept. 10.

INDIA'S Commerce Minister D. P. Chattopadhyaya has announced that a comprehensive scheme of cash compensatory support for exporters is being prepared. In addition exporters would get import entitlements on the basis of their performance.

Speaking to a parliamentary committee, Mr. Chattopadhyaya said the Government has introduced a variety of measures to stimulate exports. These included simplification of export procedures, payment of duty drawbacks through commercial banks, exemption from duty on materials imported against advance licences subject to export obligations and abolition of export duty on some items.

For new export promotion measures the Commerce Ministry's export planning cell had identified 20 projects involving items for which raw materials were available in the country.

All such measures are designed to increase exports in the current year by 10 to 12 per cent.—not an easy matter to sustain since Mr. Chattopadhyaya announced that exports had more than doubled in the past three years.

EEC agreement leads to big deficit for Tunisia

BY QUENTIN PEEL

TUNISIA, Sept. 10.

TUNSIA'S trade deficit with Common Market countries has increased massively in the five years since the country signed a special trade agreement with the EEC. In the first quarter of 1975 alone the deficit amounts to practicially four times the total annual deficit for 1970.

The figures were revealed by the Tunisian Ministers for the National Economy, Mr. Abdelaziz Lasram, at a conference on EEC-Tunisian relations, taking place here. In 1970 the trade deficit was running at Tunisian dinars 32m. (£35.5m.) in real terms, but by the first quarter of 1975 it had reached dinars 119m. (£132.2m.), some 99.5 per cent of Tunisia's total trade deficit.

The last agreement between Tunisia and the EEC, signed in 1969, was restricted solely to trade and did not contribute to the industrial development of the country, Mr. Lasram said. But even so the agreement had not been "fully respected," he maintained.

In 1975 the European countries had unilaterally restricted phosphate imports. For the first six months France, Italy and Holland had taken only 10,000 tonnes from Tunisia, compared with a 12-month total of 90,000 tonnes in 1973 and 55,000 tonnes in 1974.

Above all the decision by the EEC to fix a base price for Tunisian olive oil which effectively blocked the country's exports was quite contrary to the spirit of the 1969 agreement, Mr. Lasram said. Meanwhile production of olive oil in Tunisia was likely to reach record levels of some 160,000 tonnes in the present year.

Mr. Shore on mission to Seoul

By Our Asia Correspondent

MR. PETER SHORE, the Trade Secretary, arrives in Seoul today on the first leg of a "show the flag" tour to South Korea and Japan. When he reaches Tokyo next week it will be the first visit by a British economic minister to Japan since the Labour government took over more than 18 months ago.

Far East trade specialists rule out the idea that there will be any spectacular breakthrough from this trip, but they say that Mr. Shore's visit will be useful in redressing the neglect that the governments of East Asia feel from Britain.

In the later years of the Heath Government, for example, Japanese and British ministers were on such good terms that they were able to solve most problems without ever reaching a formal confrontation. "They solved things on a nod and wink basis," said one expert. Since the Conservatives left office this understanding has faded and the distance between Britain and Japan has only increased with Japanese distrust of the alliance between Labour and the trades unions which Tokyo regards as protectionist.

The question of restrictions on Japanese imports to Britain will almost certainly be part of Mr. Shore's talks. British manufacturers of a wide range of products from cars to television tubes to ball bearings feel strongly about booming Japanese sales to Britain. But these talks are unlikely to lead to any Japanese restrictions. Some British specialists feel that the Japanese have been unfairly singled out over car sales. The main area of competition from Japanese car makers is in small cars, they say, and in this range what prevents the British manufacturers from selling more is that they cannot produce enough.

In Korea Mr. Shore will probably be pressed to allow more liberal treatment of Korean textiles. Trade between Britain and Korea has been steadily expanding and in their last round of import restrictions the Koreans took care not to harm any of the traditional British exports. The main problems are of distance between Korea and Britain and the provision of export credit. Because it is trying to preserve its foreign exchange 85 per cent. of British exports to Korea are financed by credits over five years or more.

A. P. Moeller places big ships order

By Our Own Correspondent

COPENHAGEN, Sept. 10.

A. P. MOELLER shipping company has placed an order for a total of 17 ships with the Lindoe Yard of the group's own Odense steel shipyard. The orders provide the yard with employment to the beginning of 1978.

The order includes the conversion of an earlier order by A. P. Moeller for two 485,000 ton tankers to two 330,000 tonners, plus new orders for six 65,000 ton tank/bulk combination ships, six supply ships and three seagoing flat-top barges.

The yard announced at the same time that it considered orders for two 485,000 ton tankers by Greek owner N. D. Papalios were invalid as the owner has not fulfilled the terms of the contract.

In addition to the vessels already mentioned, the yard has on order three 330,000 ton tankers from A. P. Moeller, two 310,000 ton turbine tankers from Shell U.K., and two flat-top barges from A. P. Moeller.

Until now the Linoe yard has specialised entirely in supertankers and the switch into supply ships, bulk carriers and barges is a new departure.

Hungary, USSR see 40% rise in trade

By Paul Lendvai

A HUNGARIAN-Soviet protocol just signed in Moscow about the co-ordination of the next five-year plans of the two countries envisages a 40 per cent. increase of two-way trade in the 1976-80 period. Trade should rise from Roubles 10bn. during the 1971-75 period to Roubles 14bn. in the next five years.

The protocol was signed by Mr. Istvan Huszar, Hungarian Deputy Premier and President of the Planning Office, and his opposite number, Soviet Deputy Premier, Nicolai Bajbakov.

Mr. Huszar revealed that imports of fuels and energy during 1976-80 will rise by 60 per cent. compared with the current five-year period. He described this as a fact of "enormous importance" for Hungary. Mr. Bajbakov however, only vaguely referred to further efforts to increase shipments of "fuels and raw materials to Hungary" in exchange for Hungarian investments in developing natural gas and oil resources and in building a paper mill in the Soviet Union.

In contrast to the recently signed Czech-Soviet agreement, no figures have yet been released as to just how much Soviet oil and gas Hungary will receive. The communique merely stressed that Soviet deliveries of oil and energy, iron-ore, metals, timber, etc., will cover "a substantial part" of the Hungarian demand for imports.

Steyr to sell Poland car parts

By Paul Lendvai

VIENNA, Sept. 10.

WHAT IS claimed to be the largest ever deal concluded between an Austrian company and an East European country will be signed here to-morrow in the presence of Austrian Chancellor Dr. Kreisky and Polish Premier, Pjotr Jaroszewicz who arrives in Austria on a three-day informal visit on Thursday.

Under the agreement Steyr Daimler Puch, the Austrian motor company will provide Poland with parts, components and documentation worth Sch.1.8bn. (about £47m.) and will deliver lorries worth Sch.1.2bn. until 1980. In exchange Poland will supply Steyr with diesel motors worth at constant prices Sch.2bn. between 1980 and 1990.

To finance the transaction the foremost Austrian bank, Credit Anstalt Bankverein will grant a Sch.4.3bn. loan to Bank Handlowy of Warsaw. Final negotiations about the exact terms of the credit are still going on in Warsaw.

ECGD BACKS DEAL

THE Export Credits Guarantee Department has guaranteed a £6m. loan to help finance a contract for supply and installation of textile machinery for a complete spinning plant to be erected at Rasht in Northern Iran.

Finance for the loan was made available to Iran Poushesh Industries by the Midland Bank. Platt Saco Lowell of Accrington, Lancashire, will be responsible for supplying the equipment and supervising the erection. Commissioning is scheduled for early 1977.

ITT UNIT WINS ALGERIAN DEAL

ALGIERS, Sept. 10.

STANDART Electrica SA, Spanish unit of International Telephone and Telegraph (ITT), has been awarded a contract to build a plant in Algeria for the production of telephones and telephone circuits, the state-run electrical concern Societe Nationale d'Electricite (Sonelec) said.

To be sited at Tlemcem, the factory is expected to have an annual output of 100,000 circuits, of which 20,000 of the semi-electronic type, and 140,000 telephones.

AMERICAN NEWS

TWO YEARS AFTER THE CHILEAN COUP

A deepening tragedy

BY HUGH O'SHAUGHNESSY IN SANTIAGO

"THE SITUATION in Chile reminds me of the title of the last volume of Churchill's history of the last war, 'Triumph and Trajedy.' As far as I am concerned the September 11, 1973, overthrow of the Allende Government was a moment of triumph. Since then it's been a time of deepening tragedy." The speaker is Sr. Orlando Saenz, one of the most brilliant of Chilean industrialists and former head of Sofofa, the local equivalent of the CBI.

On the eve of the second anniversary of the military coup in Chile Saenz is expressing the view of an increasing number of moderate Chilean conservatives and men of the centre about the situation in their country. General Augusto Pinochet, the President, is following what appears to many to be an extremist policy of political and economic affairs which is increasingly open to doubt. In the economic sphere everything has been sacrificed to the overriding objective of containing inflation. Two years ago the military took over a country which was suffering from hyper inflation, caused by the blunders of the Allende Government and the efforts of his enemies at home and abroad to "de-stabilise" his Administration.

The junta's first attempt to push the inflation rate down to between 50 and 80 per cent. in 1974 failed. The rate spiralled upwards so that at one point this year it was hovering above the 900 per cent. level. In April this year the Finance Minister, Sr. Jorge Cauas, heavily influenced by Prof. Milton Friedman of Chicago, announced plans to cut back the money supply even more severely and reduce the Budget deficit to an absolute minimum. Though no completely reliable statistics are available, and those which are published are the subject of intense controversy, it is clear that Chile has fallen into a deep slump and there is no evidence of any lasting slowing down of inflation.

On Monday, a Government official admitted that the GNP could fall this year by up to 5 per cent. A detailed analysis of the economic situation just published by the Christian Democratic Party in its monthly Politica y Espiritu claims that the proper figure will be 8 to 10 per cent. Sosofa says that the production of manufactured goods is currently running 24.6 behind the levels of a year ago with the output of timber products and glass down by 41.4 and 47.2 per cent. respectively.

The drop in production has naturally been accompanied by extremely heavy unemployment. It is expected that the official figures, now showing about 15 per cent. of the active population workless, will be around 20 per cent. within a few months and it is widely acknowledged that the official policy of counting those with the most casual or part time jobs as "employed" seriously under-estimates the gravity of the real situation. The absence of effective unemployment benefits means that the pinch is widely felt both by the worst off and among some of the middle-classes. This is hardly softened by the Government's emergency work programme which is benefiting only 15 per cent. of the unemployed or the Churches' 250 food kitchens where 20,000 children get a meal every week day.

The standard of living of the average Chilean is calculated to have dropped by 40 per cent. since 1970. At the same time the free market forces have concentrated enormous windfalls in the laps of those with enough resources to take advantage of the situation. There has been a rapid shifting of wealth in favour of the richest echelons of society and on the Stock Exchange banks and mining shares have been booming. One businessman summed up the feeling of many middle-of-the-road Chileans when he remarked to me: "I consider Allende governed for the benefit of 30 per cent. of the country. But in September 1975 it is clear that the junta is governing for the benefit of 5 per cent."

The outlook for industry, according to the Government's Technical Co-operation Service, is still bleak with inventories rising 5.8 per cent. in the second quarter and sales lagging behind output and still, the inflationary bubble refuses to be punctured. Though the Government claims to have reduced the monthly rate of inflation to below 9 per cent. it is expected to bounce back again in the next few months as September's automatic 24 per cent. wage rise has its effect across the board. The Christian Democrats argue that when inflationary expectations are not broken the mere reduction of the money supply is accompanied by a quickening in the velocity of circulation and they point out that in September-October last year money was circulating twice as fast as it had been nine months previously.

The external sector is meanwhile difficult to manage. The world price of copper on which Chile relies for roughly three-quarters of its export earnings still bumps along at under 60 U.S. cents a pound, which is not a great deal above the cost of production. The large foreign investments repeatedly forecast by the Government for the mining and other industries have yet to materialise and a number of countries, including Britain, Italy and the Nordic states, have refused to renegotiate Chile's debts. The Government is hoping to hold the trade deficit to $300m. as a result of a drastic reduction in food imports and a fall in the GNP but the financing of this amount, much smaller than many expected, may be achieved only at the cost of very high interest rates on borrowed money.

While it is obvious that, short of a big international recession, the price of that highly volatile commodity copper must recover

General Augusto Pinochet

sooner or later and bring big new export income to Chile, it is also fairly certain that Chile will soon be paying more for its oil imports as OPEC raises the oil price and it may well be that growing unrest in the U.S. Congress with official U.S. support of the Pinochet regime will lead to a tailing off of direct U.S. financial assistance and increasing unwillingness to assist Chile inside the World Bank, the IMF and the Inter American Development Bank. The United Nations Economic Commission for Latin America is forecasting a $900m. trade deficit for Chile next year.

The junta's conservative policies have been imposed meanwhile only with the aid of very severe political repression which has for instance resulted in an estimated 95,000 political arrests between September 11, 1973 and last June 30. The authenticated reports of the treatment of some political detainees are horrific in the extreme and on July 4 General Pinochet announced that he could not allow a U.N. human rights team to enter the country. These policies have effectively broken all the parties of the Left with the exception of the highly organised Communist Party which seems in a position to seize the [illegible] of the Left from the [illegible] Party which in 1973 was [illegible] ally bigger than it.

But, before attempting predictions for the [illegible] would be as well to [illegible] understand how General Pinochet and his three colleagues in the military junta came [illegible] the decisions they did [illegible] the suffering this has [illegible] the Chilean in the street. [illegible] opinion of many observers here the junta [illegible] ing has over the past [illegible] so become increasingly dominated by the principal representative of the extreme [illegible] civilians who have seen [illegible] rule of the military their [illegible] to put into practice a totalitarian and [illegible] nationalism. This group, the best known of whom [illegible] Sr. Jaime Guzman, Sr. [illegible] Puga and Sr. Jorge Fontaine at present among the [illegible] closest advisers. Their ideas about the dangers of [illegible] munism in all its forms and lumping together of all [illegible] of Liberal or democratic [illegible] as the dangerous beginning [illegible] the slippery slope which [illegible] eventually lead Chile to Marxism seems to have [illegible] to the Chilean military which sees things in [illegible] black and white, friends and enemies and whose experience of economic theory before was limited. It is these groups of the extreme Right rather [illegible] the more traditional conservatives who have dominated the scene for many [illegible] past.

In the opinion of [illegible] observers there can be no change in Chile's fortunes [illegible] the philosophies of Right extremists are rejected, and [illegible] junta recognises that the [illegible] cost exacted by its [illegible] policies is too high. Over [illegible] past few weeks there have [illegible] signs that General [illegible] Leigh, the Air Force member of the junta, has realised the social cost is indeed high [illegible] he has hinted that the Government's policies must be changed if by the end of the year [illegible] is no improvement in [illegible] standards and if the [illegible] against inflation has not [illegible] to be won. His, however, is one voice of four in the [illegible] and it is tacitly understood [illegible] the Air Force's opinion [illegible] remain subordinate to that [illegible] strongest section of the [illegible] forces, the Army. It is still [illegible] open question whether there [illegible] be such a change of heart [illegible] the junta as a whole as Leigh has foreshadowed. And [illegible] there were such a change [illegible] heart this would raise delicate questions of whom would [illegible] the blame for past mistakes. [illegible] Gen. Leigh himself said: "We have four difficult months [illegible] of us."

Lockheed will discontinue illegal overseas payments

BURBANK, Galif., Sept. 10.

REELING under sharp Government criticism and a threatened removal of federal guarantees for some of its loans, Lockheed Aircraft Corporation has sharply reversed a policy it enunciated just a month ago and said that it will not make overseas payments unless they are legal under all applicable U.S. and foreign regulations.

The company's Board issued what it called "a stringent new policy governing the selection, use and payment of international consultants." Last month the company disclosed that it had made payments of at least $22m. over the past five-and-a-half years to officials and political organisations in foreign countries to win lucrative contracts.

Altogether, the company said, it has paid or committed $202m. for foreign consultants and other fees since 1970. Lockheed defended its payments at the time and said it planned to continue them for competitive reasons.

Under its new policy, Lockheed said it would permit only payments that would be deductible as business expenses for U.S. income-tax purposes and that would be in compliance with applicable U.S. or foreign laws. "The effect of this policy is that payments could be made to foreign officials only if such payments would be legal under U.S. laws, if they were applicable," the company said.

It is not illegal under U.S. law per se to bribe a foreign official. But it is a violation of the Internal Revenue Service (IRS) code to deduct concealed bribes and business expenses, even if they are paid through third parties and even if they are made in a nation where such payments are not illegal. It is also a violation of federal securities laws to fail to disclose accurately that some material "expenses" are actually bribes.

Lockheed said that for the past month it had stopped all payments of any kind to all of its international consultants pending adoption of the new policy by directors at a meeting on Monday. The announcement of the policy was not made until late Tuesday. "The new policy is subject to future revisions to reflect evolving national policy and laws," Lookheed said.

Lockheed's foreign payments have been under investigation by the IRS, the Securities and Exchange Commission (SEC), the Senate subcommittee on multinational corporations and the Emergency Loan Guarantee Board. That Board, which has backed $195m. in loans to Lockheed, said that it would require Lockheed to stop making future improper payments to foreign Government officials or political organisations under threat of removing the controversial Government backing for the loans.

Lockheed is currently trying to negotiate in advance a settlement of a lawsuit that the SEC plans to file against the large aerospace company, but the company is fighting to keep confidential the details of past payments for fear such information could lead to the loss of some business.

AP-DJ

New interest rate policy by Eximbank

WASHINGTON, Sept. 10.

THE EXPORT-Import Bank has set a new interest rate policy to bring the Bank's usual interest charges closer to market rates and increase its ability to provide lower rates when necessary to meet financing offered by official export credit agencies of other nations.

Bank chairman William Casey said that interest rates on Eximbank loans to foreign purchasers beginning immediately will range from 8.25 per cent. to 9.50 per cent. for purchase of U.S. goods and services depending on the total term of the loan.

Mr. Casey said that loans repayable within six years from date of authorisation will carry interest rates of 8.25 per cent. Rates will increase 0.25 percentage points for each additional two years of maturity up to 9.5 per cent. on loans repayable in excess of 14 years from date of authorisation.

Mr. Casey said that new interest rates set by Eximbank are closer to but still below commercial rates.

AP-DJ

New York teachers defy court to stay on strike

BY JAY PALMER

NEW YORK, Sept. 10.

THE NEW York City municipal teachers' strike entered its second day this morning in open defiance of a temporary court order obtained yesterday by the Board of Education demanding an immediate return to work.

Despite lengthy negotiations throughout most of last night, representatives of both the United Federation of Teachers and the board admitted this morning that there had been no progress towards any settlement.

Although the UFT disputes a Board of Education estimate that over 1,300 of the city's 60,000 teachers reported for work on the first day of the strike yesterday, there can be little disagreement over the impact.

On Tuesday, more than 260 schools were forced to close down altogether for the day, keeping more than 1.1m. pupils out of classes. Initial reports this morning indicate that an even greater number of schools are closing to-day.

This school strike, the sixth by New York's teachers since 1960, has a number of root causes, most of them connected in some manner to the economy measures taken recently by the city administration.

Specifically, the teachers are objecting to clauses in their new contract which would cut their "non-teaching preparation" period, reduce allowable sick leave, end sabbatical leaves and extend the work week.

VENEZUELAN BUDGET CUT

By Joseph Mann

CARACAS, Sept. 10.

VENEZUELA'S federal budget for 1976 will total $7.72bn. according to Finance Minister Hector Hurtado.

This represents a drop of almost $2bn.—or more than 20 per cent.—in relation to this year's budget of $9.67bn.

The Finance Ministry's budget proposal was approved to-day by President Carlos Andres Perez and his cabinet. The budget will now be sent to the Venezuela Congress for approval.

The pared-down federal budget comes after two years during which Venezuela received unprecedented petroleum revenue as a result of price rises by OPEC. Venezuela nationalised its foreign-controlled oil industry on August 29.

Montego Bay hit hard by recession

By Our Own Correspondent

KINGSTON, Sept. 10.

JAMAICA'S famous [illegible] coast tourist resort, Montego Bay, has had to close 16 of [illegible] larger hotels, representing [illegible] per cent. of the town's [illegible] hotel rooms. Others are [illegible] to be closed soon. The [illegible] ures have been attributed [illegible] the economic situation in the U.S., Jamaica's main tourist market.

Latest available figures [illegible] tourism cover the first three months of this year and show an increase of 20,000 visitors over the same period last year but expenditure by tourists fell by $2m. because there were fewer long-stay visitors. Occupancy level in the hotels has been put at 54.6 per cent.

Montego Bay's economy depends totally on North American tourism and the slump in the market has left 2,500 workers without jobs. The Jamaican Government is preparing a long-term development programme for the industry, which has been subject to indiscriminate building of hotels for the past decade. Hoteliers are hoping to recoup during the coming winter season.

Long holiday for Sra. Peron expected

By Robert Lindley

BUENOS AIRES, Sept. 10.

PRESIDENT Maria [illegible] Peron is expected to begin a prolonged holiday within the next few days, leaving her mandate in the hands of [illegible] President Italo Luder, [illegible] in line to succeed her.

Last night, Jose Baez, [illegible] President of the Justicialist (Peronist) Party, said [illegible] emerging from a meeting [illegible] Interior Minister Vicente Damasco that Sra. Peron is suffering from "depression and exhaustion." Sr. Baez emphasised, however, that it will be Sra. Peron's decision whether she will take a holiday once her doctors make their report on her condition.

He said that if she does go on holiday, "it will be for reasons of health and not for political reasons." The probability of a Presidential holiday has been in the news here for several days.

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Crucial Namibia talks

Y JOHN STEWART

CAPE TOWN, Sept. 10.

NAMIBIAN Constitutional erence entered a crucial e in Windhoek to-day when 156 delegates opened their te on a draft declaration of it prepared for them by a an committee yesterday.

ie document, which sets out broad terms the ultimate s of the settlement effort, im-iately ran into trouble from k and Brown delegates. The ibility of large-scale walk- was being mentioned.

ie document, according to erence sources, is a tactical mph for the White delegates, srs Dirk Mudge and Eben Zyl, who, it is claimed, terminded it and got it pted after persuasive argu-it.

ccording to a well-informed ce it amounts to a somewhat rted-up version of the 1964 ndaal proposals, sweetened i the now familiar undertak- on race discrimination.

Rhodesians claim nine guerillas

SALISBURY, Sept. 10.

IE African Nationalist rillas were killed by security es in a week of engagements Rhodesia's north-east border e, an official communique orted to-day.

'o-day's communique said ht guerillas, including a well-own but unidentified group der, were killed in a single gagement yesterday in the unt Darwin area.

'here were no Rhodesian Army ualties during the week, the nmunique added.

'rom Lusaka it is reported t Bishop Abel Muzorewa will urn to Rhodesia and preside r an African National Council cutive meeting called for ptember 21. Reuter

Timor said to want merger

JAKARTA, Sept. 10.

Official sources here claimed -day that the majority of ople in Portuguese Timor int the colony to merge with donesia and said this was oved by a change of policy one of the main independence ovements in the territory.

Lebanon sends in the army

BY IHSAN HIJAZI

BEIRUT, Sept. 10.

THE LEBANESE Cabinet to-night sent army troops to take positions between the combatants in the northern part of the country after a new army commander was appointed.

Premier Rashid Karami announced the news after a marathon session by the Cabinet lasting over six hours. The Cabinet met in the morning and again in the afternoon.

Mr. Karami said the orders to the troops were to take positions in buffer zones between the town of Tripoli and the neighbouring town of Zghorta without, however, interfering directly in either City. He said maintenance of law and order inside both cities was still the responsibility of the police and gendarmerie.

He warned, however, that in the event of renewed fighting there or anywhere else in Lebanon, the army would intervene to stop it.

The Premier also announced the appointment of Maj.-Gen. Hanna Saeed, currently the commander of the Bekaa garrison, as new commander of the army, replacing Maj.-Gen. Iskander Ghanem, who was given an indefinite leave of absence and appointed to a diplomatic mission.

Secret U.S. pledges

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, Sept. 10.

THE FORD Administration has given Israel secret though qualified assurances of continuing military, economic and diplomatic support, as part of the new Sinai agreement, the New York Times reported to-day.

At his Press conference yesterday, Dr. Kissinger admitted that such secret undertakings existed, but said that they would all be published after Congress had approved them.

However, this morning, the New York Times publishes what it claims is the exact wording of the most important agreements, stressing that in many cases the Administration has made its promises of further support explicitly subject to Congressional approval and the availability of the necessary resources.

The main commitment is that the U.S. will be "fully responsive within the limits of its resources, Congressional authorisation and appropriation, on an on-going and long-term basis to Israel's military equipment and other defence requirements and its economic needs."

The Administration is shortly expected to ask Congress for up *to \$2.5bn. in economic and military* aid for the current financial year. But in addition, the U.S. has undertaken to guarantee Israel's oil supplies if necessary from its own stocks and production.

Supertanker for Suez

BY MICHAEL TINGAY

CAIRO, Sept. 10.

THE LARGEST vessel to pass throught the Suez Canal, a 227,000-ton Greek oil tanker in ballast, is scheduled to travel from Port Said to Suez later this week.

The tanker, *which should* net the Suez Canal Authority an estimated \$200,000 from the single journey, has a draft of about 30 feet in ballast.

The only difficulties concern the tugs manoueyring the vessel, which is more than 1,000 feet long, round the more severe bends.

While the supertanker class is thus experimentally nosing its way down the canal, the volume of oil tanker traffic is still small, accounting for about 12 per cent. of revenue, according to Suez Canal Authority sources.

General cargoes still account for most of the traffic (which averages 26 vessels daily), both in numbers of ships and in tonnage. After three months of operation and the passage of more than 1,800 ships, the average size of vessels is still smaller than had been hoped for.

An upswing in tanker traffic will be needed if the Authority is to reach its aim of 30 per cent. of income from oil tankers by the end of the year.

The expected passage of a single 200,000-tonner contrasts greatly with the average tanker size in August of 18,000 tons.

From Tel Aviv L. Daniel reports that cargoes to or from Israel are likely to be sent through the Suez Canal within the next few days.

Price rise by OPEC likely

By Paul Lewis, U.S. Editor

WASHINGTON, Sept. 10.

DESPITE THE Ford Administration's efforts to prevent any further increase in the world price of oil, the U.S. Treasury still believes that OPEC is likely to raise its prices between \$1 and \$1.50 a barrel at the end of the month.

This was the message that Mr. Gerald Parsky, the Assistant Treasury Secretary, gave the Press this morning when he introduced a new Treasury study on OPEC's likely import requirements during the remainder of the decade.

The forecast of a \$1 to \$1.50 rise (or roughly ten per cent.) was first made by Mr. Thomas Enders, the Assistant Secretary of State, in a celebrated study of the pressures on OPEC published in Foreign Affairs last July.

to-day Mr. Parsky said that his contacts with OPEC Finance Ministers during the IMF meeting had left with the impression that a small price increase in the \$1-\$1.50 range was likely and the continuation of the present freeze improbable.

Kuwait demand on payments

By Richard Johns

A DEMAND by Kuwait that the proportion of its petroleum revenues paid in Sterling by British Petroleum and Gulf Oil should be reduced will be discussed in the negotiations between the State and companies beginning in Kuwait this weekend, according to informed sources.

Under the practice established last summer the two corporations, which are partners in the Kuwait Oil Company (KOC) *make Sterling payments for their* "equity" crude entitlement which relates to their 40 per cent. share in the operation. At present production levels, these would be running at an annual rate of about £2bn.

Just how far Kuwait wants to lower the Sterling component of its oil receipts in favour of the dollar has not been made clear yet. However, the considered opinion in the City yesterday was that the move by the Gulf producing state does not presage any rundown of its considerable Sterling assets.

Mrs Bandaranaike has solved a crisis by sacking three Trotskyist ministers. This could presage a shift in foreign alignments, as **Mervyn de Silva** reports

The Bandaranaike solution

THE THREE Trotskyist ministers in Mrs. Bandaranaike's coalition government last week refused to resign, so they were duly sacked the same night. By rejecting the premier's request for their resignations, the Lanka *Sama* Samaja Party (LSSP) ministers sought to score a propaganda point. The dismissed Finance Minister, Dr. N. M. Perera, charged that it was not his party but the Premier who had wrecked the "alliance of progressives."

But Mrs. Bandaranaike, who *had outmanoeuvred her troublesome* allies right through the three-week crisis, had anticipated that tack too. She told a mass rally that she could never sacrifice the independence of her own Sri Lanka Freedom Party (SLFP); for the sake of the unity of the left.

Yet she had tried hard to preserve the alliance by offering a fair compromise, she said. The LSSP ministers had been offered three other portfolios from a list of six. But the crux of the matter was that her decision on two ministries held by the LSSP, Finance and Transport, was unalterable.

Awkward corner

By making the key Finance Ministry a non-negotiable issue, the premier pushed the LSSP into an awkward corner. Dr. Perera, *who has held the Finance* Ministry since the Government's inception in 1970, has also been the LSSP party leader for 40 years, so both personal and party prestige were at stake.

In rejecting a compromise Dr. Perera could have relied on the support of the party's young radicals. There is acute unemployment, particularly among the educated young. The unrest among the young which exploded in the 1971 insurgency continues to lurk just beneath the surface. The LSSP youth leaders have been arguing for some time that there is no further mileage to be gained from continuing in the ruling coalition.

But the older members of the LSSP must already be regretting the split, since it did mean a taste of power. Indeed by Ceylonese standards what was surprising was not that the crisis dragged on for so long but that it finally came to a head.

Advertised as an "island paradise" and once a model British colony, Sri Lanka now suffers from the same acute economic problems and tensions that are found in the rest of the sub-continent. Sri Lanka also has a problem peculiarly its own since it is saddled with a comprehensive and expensive system of welfare subsidies, which no Government can politically afford to dismantle. A large, *articulate middle-class, a multi*-party system, a relatively open society and of course the demands and aspirations of the educated young aggravate the underlying economic problems.

Economic crisis

Sri Lanka is in the grips of a very severe economic crisis. A huge trade deficit, an ever expanding foreign debt, soaring living costs and great unemployment are the most visible features of the slump. The Finance Ministry is viewed as being at the centre of the problems. To satisfy western aid donors, the World Bank and the IMF, the Finance Minister, Dr. Perera, has managed to balance his budgets, but that was no more than a book-keeping exercise. Against this the political need to keep the socialist banner aloft prompted him to introduce sweeping "anti-capitalist" measures.

Dr. Perera's standard budgetary mixture did little to help the recovery of a hopelessly ailing economy. Moreover many of his taxation measures exacerbated tensions between his LSSP and the dominant party in *the coalition, the Freedom* Party.

He himself claims that his fate was sealed with his last budget when he launched a frontal tax attack on the newly emerging class of local industrialists who are financial backers of the Freedom Party. This new class represents the first sign of a dynamic entrepreneurial group which is genuinely indigenous.

The lack of native entrepreneurs has often been seen as one of Sri Lanka's main economic problems. The SLFP, which is left but not Marxist, has tried to encourage local industrialists, a group of which the LSSP was wary.

Another problem was that as a minority party the LSSP was without grassroots support in the villages. To counter this it tried to use its position within the alliance to make inroads in rural constituencies through economic policies and political patronage.

It had control of the banks which had been nationalised, and also of credit agencies. Apart from this there were the various state agencies, such as the State Gem Corporation to use as a springboard for more support.

The LSSP even used the issue of licences to open liquor shops as part of its apparatus of patronage.

All this incensed and frightened Freedom Party organisers. When influential SLFP leaders decided that the LSSP tactics of expansion had gone far enough, a counter offensive was launched under the leadership of the premier's son, Mr. Anura Bandaranaike. His newspaper, Adha Today, kept up a furious barrage against the LSSP late last year.

Mrs. Bandaranaike picked the ground to fight Dr. Perera shrewdly. She took offence when a speech by Dr. Perera deprecated the late Mr. Solomon Bandaranaike, the Prime Minister's assassinated husband. Mr. Bandaranaike was a Nehruist, whose nationalist ideals were supposed to cut across the leftist parties boundaries.

Into the open

When Dr. Perera offered an apology for his remarks, he was *imperiously ignored by Mrs.* Bandaranaike. The man who is thought to have been the prime mover behind Dr. Perera's ousting then came into the open. He is Felix Dias Bandaranaike, the Prime Minister's nephew who has held several portfolios in the Government. He has now taken over the Finance Ministry.

No lover of the left, Mr. Felix Bandaranaike has recently made diplomatic overtures to Iran, Saudi Arabia and Kuwait in search of new sources of foreign aid. Together with the Prime Minister, Mr. Felix Bandaranaike managed to make Dr. Perera look slightly wild in some of his Left-wing claims. In speeches Dr. Perera warned about the imperialist devil with particular *regard to events in Bangladesh* and warned of the tide of reaction sweeping the sub-continent. He also talked of CIA activities in the sub-continent and about the misuse of American PL489 food for peace funds.

The Bandaranaikes simply asked him to substantiate these charges, something he would presumably have found difficult.

The pattern of foreign influences in Sri Lanka has still not entirely emerged following the Trotskyists' fall from grace but there appears to a confluence, however temporary, of American and Chinese interests.

Fall from grace

Right from the outset Colombo has been close to Peking. The two countries are major trading partners, at least from Sri Lanka's point of view. The influence of the one pro-Moscow Communist party member in the Cabinet, the Minister of Housing Peter Keuneman is considered minimal. Felix Bandaranaike has been gently flirting with Western countries as well as the rich Middle East ones, and it is thought in Colombo that Sri Lanka's current aid donors are bound to welcome the change.

At home the position is slightly trickier for Mrs. Bandaranaike. Only electoral pacts and alliances between the centre Freedom Party and the left have guaranteed the defeat of the right wing United National Party which has *the steady support of 35 to 40 per* cent. of the national vote. A string of bye-election victories has brought a growing self-confidence to the UNP. The party's leader Mr. J. R. Jayewardene has not been an entirely disinterested observer of the friction within the United Front.

Throughout Dr. Perera's four-hour resignation speech the UNP leader sat impassively and made no comment at all. Clearly it was a moment which was best savoured in silence.

EUROPEAN NEWS

Crucial talks in search for Portuguese Government

BY JANE BERGEROL LISBON, Sept. 10.

ADMIRAL PINHEIRO Azevedo. Portugal's Prime Minister designate, saw both Socialist and Communist leaders together to-day in what was regarded as a crucial negotiation to forming the sixth Provisional Government—promised for to-morrow.

The Communists, who are refusing to negotiate with the Popular Democrats, then left the Presidency while Socialists returned later for more talks with the PPD. There is every sign that Admiral Pinheiro Azevedo is bending over backwards to accommodate Socialists and the "Group of Nine" dissenting armed forces officers lead by Major Melo Antunes, the former Foreign Minister, and that the Communists, in the new Government, may be reduced to holding the single portfolio of Transport and Communications, squeezed out of the vitally important Ministry of Labour.

Meanwhile, publication to-day of a new law promising workers' control is being widely discussed in industrial circles. The law, one of the last acts of Vasco Goncalves' fifth Government, has yet formally to be unveiled but substantial portions of it leaked to the Press, suggest it is designed as much to contain anarchic attempts by extreme Leftists as to grab managerial domination as to institutionalise an acceptable degree of worker participation in the responsibilities of running a company. As such it reflects a continuing conservative Communist policy towards the working classes.

The law thus appears to fit in with promises, made 10 days ago, of legislation to stop illegal take-overs by workers of private enterprise. As far as can be established, its major points are to fix the role of the workers' committees. These include:

To assess, put out and guarantee execution of general company planning, particularly production and investment.

To encourage the use of technical, human and financial national resources.

To make qualitative and quantitative contributions towards production, particularly in rationalisation of production, training and professional skills, simplification of administration and productivity increases.

To watch over the accomplishment of Government sector or company policies.

The extreme Left have yet officially to react to the law, but are likely to view it with gloom, as more evidence of a non-revolutionary Communist Party strategy, like the highly conservative Communist-drafted strike law passed in August last year. Meanwhile, the Maoist daily newspaper Luta Popular came out to-day with fearful forecasts of more repression for the extreme Left.

Renault and Peugeot to drop Greek assembly plant deal

BY OUR OWN CORRESPONDENT ATHENS, Sept. 10.

THE FRENCH Renault and Peugeot companies are seeking the return of a $1.5m. guarantee posted with the Greek state in connection with a contract under which they were to have established a car assembly plant in Greece.

The contract was signed in July, 1971, when Greece was under military rule and provided for an investment of $6.7m. for a plant at Vzlos, east-central Greece. The agreement was modified in August, 1973, to raise the investment to $13.9m. The Greek state's participation in the project was 51 per cent.

A Ministry of Co-ordination source said to-day that the French companies have informed the Greek Government they want out, claiming the $1.5m. guarantee issued in their name by a Greek bank for the proper execution of the contract.

The source said the French group blamed the Greek state for the non-execution of the terms of the contract. These had included reducing import duties on the components to be used to manufacture the Greek cars.

The source said a Renault-Peugeot delegation is expected in Athens on September 28. But he said there was no question of reviving the agreement, not even in revised form, because of the deep differences existing between the two sides. He said that if no agreement is reached with the French delegation on how the contract should be dissolved and if the French side put forward further claims for expenditures incurred, the matter would probably be referred to the Zurich-based International Chamber of Commerce and Industry for arbitration, as provided in the contract.

In the revised contract, the French companies' export commitment was to begin from the third year of production and they undertook to export the equivalent of 10 per cent. of their sales in Greece for up to 20,000 cars, rising to 15 per cent. of local sales between 20,000 and 25,000 cars and 20 per cent. for local sales exceeding 25,000 cars.

The first passenger car models to have been manufactured by the plant were the Renault R-5 and R-12, the Peugeot 504 and a new model. At a later stage the plant was to have also manufactured station wagons and vans of less than 1.5 tons. But the project never got off the ground.

Peugeot and Renauult have not demanded the return of the $1.5m. guarantee for the contract signed with the then Greek Government in 1971 for their joint subsidiary Ste Hellenique de Construction Automobile SA to build a car plant in Volos, a Peugeot spokesman said, Reuter adds from Paris.

However, the spokesman said that unless the Greek Government commits funds to the project as originally planned the French companies will be forced to pull out and will demand the repayment of the guarantee.

The Peugeot spokesman said it is unlikely any final decision will be taken before the end of the month, as discussions are still going on.

EEC plan for textile aid

BY DAVID CURRY BRUSSELS, Sept. 10.

THE BRUSSELS Commission is understood to have given reluctant sanction to a proposal to give financial assistance to a Greek textile project in spite of the strong opposition of its own industry directorate and severe reservations in other departments.

The proposal is for a reported loan of about 2.7m. units of account (£1.25m.) from the European Investment Bank towards the estimated £3.2m. cost of setting up a spinning and weaving mill in Yiannitsa, near Thessalonika. The production of this mill, in which Dutch interests have a 48 per cent. stake, will be sold almost entirely in the EEC, which is deep in the throes of trying to limit textile imports from developing countries.

The decision not to oppose the loan is understood to have been taken on political grounds. The money will come from the $55.7m. of EIB aid released to Greece when the military directorship was overthrown. The project has been suggested by the Greeks to the EIB as a suitable candidate for financing, and the Commission feels that the need to sustain the new Greek Government, coupled with the moral difficulty of telling the Greeks that they should not develop the textile sector when the Community itself has a very large one, makes it extremely difficult to try to halt the loan, particularly when the money would be spent in a very poor region.

However, the loan will be intensely unpopular among some EEC member Governments, who are under intense pressure from textile producers. Britain, it is understood, is already concerned about the soaring level of Greek and Turkish textiles in the Community and the difficulty of curbing them.

THE REGIONAL DEVELOPMENT FUND

A battle-scarred child

BY DAVID CURRY IN BRUSSELS

THE REGIONAL Development Fund, the newest of the Common Market's money-spending agencies, is now open for business. Next month, it will start examining applications from member states for aid to help with industrial infrastructure projects and, given a smooth passage the first money could be paid out around the end of the year.

The fund initially assumed great importance in British eyes as an indication that the Community was interested as much in the problems decaying industry as in supporting agricultural incomes and, at least in Mr. Heath's view, as a *quid pro quo* for the financial burden the agricultural policy imposed on the U.K. The plain fact however is that the Regional Development Fund as it stands on the threshold of its career is manifestly ill-equipped, financially — and politically — to make more than a peripheral contribution to regional growth.

That this is so is the result of the lukewarm enthusiasm which attended its birth, the lack of god-parents at its baptism and the persistent doubts about its parenthood which have accompanied its weaning. The Regional Development Fund, in short, has suffered from its conception at the hands of inter-Common Market wrangling.

In December 1974, a year behind schedule (a year that had also seen the oil crisis, the defeat of the Heath Government, the death of Pompidou and the resignation of Willy Brandt), the Community's Heads of Government meeting in Paris agreed to set up a fund for a provisional three-year period with resources of 1.3bn. units of account (about £650m.) to aid regional development. This compared with the Commission's proposal for a 2.25bn. fund, the British bid for a 3bn. total and initial German refusal to go beyond 600m. units of account over the three years.

Exceptionally, the precise amounts to be received by each country were spelled out at the summit. The main beneficiaries were to be Italy (40 per cent.), the U.K. (28 per cent.), France (15 per cent.) and Ireland (6 per cent.). The Fund was empowered to contribute to national aid programmes to a maximum of 20 per cent. of the investment value of industrial projects and of 30 per cent. of infrastructure programmes. It was emphasised that the new fund implied no interference with and no harmonisation of national instruments of regional aid.

> "The plain fact is that the fund…is manifestly ill-equipped financially—and politically—to make more than a peripheral contribution to regional growth."

Governments were required to show that the aid they received would maintain or create jobs, a condition the British said was foreign to their own aid programme and incapable of proof. This minor skirmish served as prologue to the two protracted quarrels which have dogged the months between the Fund's creation and its coming into operation. To gauge the value of the amount of energy spent on these disputes it is worth recalling that the Fund's resources of some £650m. over three years compares with the bill of around £820m. the EEC will face this year for subsidies to milk and milk products alone.

The first quarrel was between some national Goverments and the European Parliament about who ultimately controlled the Fund. The second was less a quarrel than a feeling of growing irritation in Brussels with Britain over the U.K.'s failure to pledge unequivocally that it did not intend to use the Fund as a substitute for national spending. The European Parliament has been seeking to enlarge its role in Community decision-making by extending its limited powers of budgetary control. One of the weapons it has is the power it enjoys to have the last word on what is called discretionary or non-obligatory EEC spending, which in practice means programmes which are not part and parcel of the original structure, and aims of the Common Market. Obligatory or non-distrectionary spending, in contrast, falls squarely within the province of the Council of Ministers.

Parliament insisted that the fund was discretionary and stood its ground against a somewhat disarrayed Council. The argument dragged on throughout the spring, with the Parliament declining to be swayed by voices accusing it of holding up the implementation of policies of vital importance to the regions. In the end it stuck to its guns by a 127 to 4 margin and voted into effect a budget which incorporated its view of the Fund's status. This is the budget under which disbursements will be made, but as it is identical to the budget as it would have stood had the Council view prevailed, the effect was to postpone the argument until the preparation of next year's budget with a technical victory to the Parliament.

The second problem—that of "additionality"—likewise seems at last to have achieved at least a temporary settlement. The essence of the problem is this: the Fund was set up to provide cash for the regions. It was repeated constantly that it was not simply a way for governments to replace their own expenditure with EEC cash. But, a Government is only on "scout's honour" to use the money in addition to normal expenditure, and the British have consistently declined to subscribe to the full theory of additionality. When it made a statement of intent at the beginning of this month, it confined itself to saying that the EEC assistance would permit greater aid than would otherwise have been available to go to industrial projects. On infrastructure projects it stated that the Fund's money would be used instead of money which would otherwise have had to be raised in the form of loan finance by local authorities, and that councils would not be free to apply the loan finance "freed" elsewhere. (However, there is some "additionality" here because grant aid is free of debt servicing and therefore represents a bigger "real" resource than loan finance.) This reply is still being digested by the Commission which is aware that it falls short of the more explicit assurances received from France, Italy and Ireland. However, it is also aware that there is no way under the sun in which it can effectively be certain that EEC aid is being added to what would have been spent anyway.

On practical, if not on moral grounds, the U.K. Government is solidly placed. The U.K. is, after all, the most inflation-ridden country in the EEC and in trying to control public expenditure it is only doing what Germany is doing and what its partners have urged it to do for some time. If the proponents of full additionality really want the U.K. to fuel its inflation [...] even greater volume [...] spending than is alrea[...] tended it can be argu[...] they should at least [...] the consequences. In [...] the U.K. weakness is [...] and Whitehall is incline[...] miss the occasional [...] that if the U.K. does [...] it straight in the first [...] the Fund, the Germans [...] agree to make it perm[...]

The Regional Develo[...] Fund, then, for a younge[...] is already looking very [...] scarred. But it is worth [...] out that this fund is fa[...] being the only communi[...] source which benefi[...] regions. The guidance [...] or the Farm Fund with [...] ance for training of Agric[...] workers and for fishing [...] projects, the Social Fund [...] its aid for industrial retra[...] and the hill farming sub[...] are all heavily geared in [...] towards the development [...] The main instruments, ho[...] are the European Inves[...] Bank and the Coal and [...] Community. In 1974 the U.[...] nearly 150m. units of a[...] from the EIB in loans [...] total of around 1bn. More [...] half the bank's spending [...] into channelling finan[...] regional developments [...] version of the EEC's old [...] dustrial areas.

Since U.K. entry into the [...] the Coal and Steel Comm[...] and the EIB between them [...] lent to the British Steel Co[...] tion alone some £177.7m. [...] the National Coal Board [...] around £132.6m. in loans [...] grants from various Comm[...] sources for development [...] and mining machinery, re[...] retraining and housing [...] perhaps, in the light of this [...] tively continuous strea[...] relatively uncontroversial [...] ance being felt primarily [...] velopment areas that the [...] of the arguments being [...] to the Regional Develo[...] should be judged.

Cyprus talks adjourned

By Malcolm Rutherford

NEW YORK, Sept. 10.

THE FOURTH round of the Cyprus talks ended here to-day after a formal meeting lasting only two-and-a-half hours and with no date being set for the next meeting. Diplomatic sources expressed relief that at least there had been no complete breakdown, as was widely feared earlier in the week.

A brief communique said that the talks had been adjourned "in the absence of formal proposals." Dr. Kurt Waldheim, the UN Secretary-General, it went on, will remain in contact with both parties with regard to further action.

Dr. Waldheim is due to produce a report on the situation in Cyprus to the UN Security Council by September 1, which now seems likely to make gloomy reading. It was the first time the talks have ended without announcing a date for the next session.

Oslo package to curb inflation

BY FAY GJESTER OSLO, Sept. 10.

THE NORWEGIAN Government to-day announced full details of an economic "package" agreed between unions, employers and Government that would hold down the rate of increase in money wages to curb inflation.

Large groups of wage earners are due under current agreements to receive index-linked pay increases this autumn to compensate for the rise in prices since November, 1974.

After negotiations with the authorities and the employers' association, the Norwegian TUC has agreed to accept only 80 per cent. compensation for the rise in the cost of living over the year, and only 30 per cent. of it in direct pay increases. The remaining 50 per cent. would be provided by to-day's "package," a series of fiscal measures including increased family allowances, tax concessions and Kr.130m-worth of additional food subsidies to offset index-related price rises to be granted to farmers this autumn.

Another element in the "package" is the price freeze, announced last week that has been made retroactive to September 1 and will last until December 31.

Next spring, the current two-year wage contract of most Norwegian industrial workers come up for renegotiation. If unions, employers and Government can agree then on a deal similar to to-day's 1976 might see the rate of inflation slowed to some 6 or 7 per cent. per annum.

Meanwhile, there is evidence that the inflation rate in Norway is already slowing down. The consumer price index for August, published to-day, was 0.4 per cent. lower than in July, the first time in almost 18 months that the index showed a decline. Over the year to August prices rose by 11.9 per cent. compared with 12.9 per cent. in the year to July.

W. German investment drop seen

BY NICHOLAS COLCHESTER BONN, Sept. 10.

WEST Germany's manufacturing industry will have invested a full 25 per cent. less in real terms in 1975 than it did in the record investment year of 1970, the German Institute for Economic Research in West Berlin reveals to-day. Yet despite the downward trend in investment over the last five years, manufacturing industry registered a use of capacity in the second quarter of only 78 per cent.—as low a figure as was recorded in the recession of 1967.

The latest figures from the Berlin Institute thus provide a depressing background to any hope that a surge of capital investment will lead the German economy out of its doldrums. Manufacturing industry's use of capacity is 14 per cent. lower than it was in the fourth quarter of 1973.

The Berlin Institute says that it is a feature of the current business recession that the chemical industry, which has provided German business with a degree of counter-cyclical support in previous slumps, has been forced for the first time to resort to a drastic and extended cut-back in production. Its volume output in the first half of this year was 18 per cent. lower than in the first half of 1974.

Without support from the chemical and oil industries, the manufacturers of basic materials and producer goods registered in the second quarter a use of capacity that was an all time low of 73 per cent. In the capital goods industry the percentage was 79 per cent. and was only sustained at this level thanks to the sustained demand for motor vehicles and ships.

Use of capacity has been deteriorating in West German industry for 18 months now and this development has forced industry to cut back on the rate of growth of its productive potential. The growth of this potential in manufacturing industry was 3.3 per cent. per annum in 1973, fell to 2.5 per cent. in 1974, and will be an estimated 2 per cent in 1975. Since 1970 when manufacturing industry invested DM.35.5bn. in new plant and equipment, its outlay for such products has dropped at an average rate of 6.5 per cent per year in real terms.

Hattersley in Iceland fishing talks to-d[ay]

By James Buxton

MR. ROY HATTERSLEY, Minister of State at the For[eign] Office, to-day meets the Ice[landic] Foreign Minister, Mr. E[...] Agusisson to discuss [...] renewal or replacement [of] Britain's two-year fishing ag[ree]ment with Iceland, wh[ich] expires in November.

Although Iceland has [...] that it will unilaterally ext[end] its maritime limit to 200 m[iles] from the present 50 miles, [Mr.] Hattersley said yesterday [...] he hoped Britain would re[ach] an agreement similar to [the] previous one, which allo[wed] British trawlers limited rig[hts] to fish within the 50-[mile] limit. The 1973 agreem[ent] ended the so-called Cod W[ar].

Britain and Iceland do [not] expect to reach agreement [in] the one day of talks they [are] having to-day. But one [of] Britain's bargaining points [is] likely to be the existence of [an] agreement between Iceland [and] the EEC under which Icel[and] could sell its fish to the E[EC]. This agreement cannot [come] into force while Iceland [is in] dispute with any EEC count[ry]. At present it is in dispute w[ith] West Germany and, if no ne[w] agreement is reached w[ith] Britain when the prese[nt] bilateral accord expires [on] November 13, it would presum[ably] be in dispute with Britain.

Our Reykjavik Correspond[ent] reports: The Icelandic position is that there will b[e] no permits for British trawl[ers] to fish within 50 miles and on[ly] limited permits to fish with[in] 200 miles. Iceland will a[lso] try to get British support [for] Icelandic fish exports to [the] EEC at reduced tariffs, and some Icelandic ministers con[sider] this a prerequisite for any agreement on fishing with Britain.

Meanwhile the Icelandic Federation of Labour has pu[t] a halt to the servicing of West German (support) ships in Icelandic harbours with exceptions for treating sick or injured seamen. This is a major toughening up of Iceland's position in the dispute with West Germany.

In Bonn, the Government categorically denied to-day that West German fishing fleet support ships were being used to warn cutters of approaching Icelandic Coast Guard patrols inside Iceland's 50-mile fishing limit, AP-DJ adds.

The Foreign Ministry declared that the support ships were performing only humanitarian services on the high seas for fishing trawlers of West Germany and all other nations.

Mitterrand assails reflation

BY ROBERT MAUTHNER PARIS, Sept. 10.

THE FRENCH Government's Frs.30bn. (£3.3bn.) reflation plan adopted last week was severely criticised in the National Assembly to-day by leaders of the Socialist-Communist Opposition.

M. François Mitterrand, the Socialist leader and unsuccessful candidate in last year's Presidential election, had a field day rubbing the Government's nose in its erroneous economic forecasts made over the past year. He also presented a detailed alternative economic recovery plan which, given the ruling Coalition's large majority, has no chance of being adopted.

The burden of M. Mitterrand's argument was that the Government had not only misjudged the gravity of the economic crisis, but had refused to recognise its causes. It continued to expect a major improvement in the international economic situation which would enable it to avoid introducing basic economic reforms at home. Its constant motto over the last 15 months, which had seen the adoption of four recovery plans, had been: "minimum support for the economy at home while waiting for the maximum help from outside."

The Socialist leader also accused the Government of taking measures exclusively aimed at bolstering the finances of companies, without any guarantee that they would also benefit the ordinary warge-earner. Private industry had not been asked to give any undertaking that it would create new jobs in return for all the investment incentives which it had received.

As for the aid which had been given to old age pensioners, this would be eaten up by inflation in no time.

M. Mitterrand then went on to give details of his alternative plan which, like the Government's latest measures, would cost Frs.30bn. but involve a budget deficit in 1975 of only Frs.34bn. instead of the projected Frs.40bn.

The plan's objective would be to create 300,000 jobs in 1975 and 500,000 in 1976 and it included such favourite Socialist measures as the generalisation of the 40-hour working week, a sharp rise in pensions, the indexing of wages and family allowances, a six-month selective price freeze and the abolition of VAT on basic necessities, the whole to be financed by a 20-year Frs.20bn. state loan.

GISCARD FOR U.S.

WASHINGTON, Sept. 10.

FRENCH President Valery Giscard d'Estaing is expected to discuss energy and monetary matters as well as the North Atlantic Alliance with President Ford when he makes an official visit to the U.S. next May. The visit, announced in Paris and Washington to-day, will be part of the U.S. bicentennial celebrations, and will last from May 17 to 20. The two leaders last met in Helsinki in July at the signing of the European security declaration.

Italian production down

BY RUPERT CORNWELL ROME, Sept. 10.

ITALY'S recession is showing no signs of ending. According to provisional data released to-day by the national statistics body ISTAT, industrial output was down 11.6 per cent. in July from a year earlier, while the fall from one quarter to another was 3.6 per cent.

The figures show that the production index (100=1970) fell to 116.3 in July from 131.6 a year earlier. In percentage terms the latest decline is steeper than the 9.5 pr cent. drop in June though an improvement on the freakish 18 per cent. recorded in May.

The autumn return to work seems to have brought little improvement. Lay-offs, and with them strikes, are proliferating, especially in the industrial North. After Innocenti and Alfa Romeo, to-day was the turn of Pirelli, hit by a three-hour stoppage to protest what the unions claim are considerable planned redundancies.

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Receiver's assurance on Drypool wages

OUR OWN CORRESPONDENT

ROBERT SMITH, who 1 in yesterday as receiver manager of the North erside shipbuilders, the ool Group, said that the nal Westminster Bank and epartment of Industry were £700,000 by the company.

did not know the total nt due to the supplies ors but it was bound to be siderable figure, he said.

Smith, who is liquidator e Upper Clyde Shipbuilding p, made an 8 a.m. start at Drypool Group's Beverley quarters, where he had talks the directors, management and shop stewards, for he had assurances that the workforce would receive wages this week and next

ler preliminary discussions, Smith visited the shipyards Hull, Beverley and Selby, e 13 ships worth more than are under construction.

Smith said he had ob- d overdraft facilities to cover the wages bill up to next week-end and was negotiating for further funds for wages.

He had told the Department of Industry that he would be able to give an opinion by October 10 on whether or not there was a basis on which the company could continue to operate.

The largest problem was the work on the ships under construction.

Mr. Smith said he would be meeting the six owners of these vessels to-day when he hoped to negotiate a basis on which funds could be provided.

On the long-term future, he said, it would be essential to know when new work would be available.

James McDonald, Shipping Correspondent, writes: In London yesterday members of a 14-strong deputation from Hull which met Lord Beswick, Minister of State for Industry, to urge aid for the group, said after a one and a-half hour meeting that they were "not unhappy" with the result of the discussion.

"There were no concrete promises" said a representative of one of the shipowner customers.

"But the Minister has said he will review the whole situation. He pointed out that the group was now legally in the hands of a receiver, but he said he would be in touch with Mr. Smith tomorrow."

Mr. Patrick Wall, MP for Haltemprice, who joined Mr. James Johnson, MP for Hull West, at the discussions, said he thought there might be some hope of the ships on order being completed.

Mr. L. Megson of the General and Municipal Workers' Union said: "Legally everything is in the hands of the receiver. Much will depend on the report he gives to the Minister. But I think that after this meeting he is much more conversant with the situation we face."

Shipbuilding union leaders last night called for an urgent meeting with Industry Secretary, Mr. Eric Varley, to discuss the threatened Drypool Shipbuilding Group.

Felixstowe Dock in State deal

FINANCIAL TIMES REPORTER

FELIXSTOWE DOCK, Britain's ing private-sector port, has a controlling interest in xstowe Tank Developments ankfreight, the bulk haulage storage subsidiary of the e-owned National Freight poration.

he deal, announced yesterday, e as somethingfi of a sur- e to this specialised but fast ving sector of the haulage stry.

elixstowe had long ago made wn that it had been seeking artner already active in the sport of bulk liquids for xstowe Tank, which oper- a tank farm for the storage etroleum products, chemicals, asses, alcohol and vegetable on an 18-acre site in the

ankfreight has acquired for 0,000 in cash a controlling per cent. interest with Felix- ve Dock retaining 20 per cent. which both partners will be e to exercise options.

reviously, Felixstowe Dock an 80 per cent. share, with le Star Insurance holding 14 cent. and the directors of k Developments 6 per cent.

Tankfreight's extensive interests in the bulk haulage field are expected to lead to increased traffic for the Felixstowe tank farm. North Sea oil developments are also likely to lead to a bigger demand for product storage and warehousing facilities.

Tankfreight's activities at present centre on Pickford's Tank Haulage and Harold Wood and Sons, which operate a fleet of about 550 road tankers. Last year it moved into the field of waste collection and disposal with the acquisition of an 80 per cent. holding in Waste Clearance (Holdings). The National Freight Corporation also owns bulk transport business in Scotland and France.

Felixstowe Tank has a 7½ per cent. First Mortgage Debenture 1987-89 which is listed on the Stock Exchange and yesterday announced a £129,000 pre-tax profit for the year to June 30.

The deal with Tankfreight puts a value on the company of £1.1m., as against a net book value of about £600,000.

The Board of Felixstowe Tank states however that, after taking into account a professional revaluation of the company's land, buildings, and storage installations in January, 1975, the purchase consideration per share "is close to the net tangible asset value."

Company results Page 20

Colour TV imports drop in July

BY ARTHUR SANDLES

BRITISH IMPORTS of colour television sets are becoming almost negligible as foreign manufacturers suffer proportionately even more than domestic TV makers in the market slump.

Sales to the trade in July were down by 44 per cent. on the same month of 1974—a mere 13,000 sets came in from abroad, compared with 30,000 a year earlier when the decline was already established.

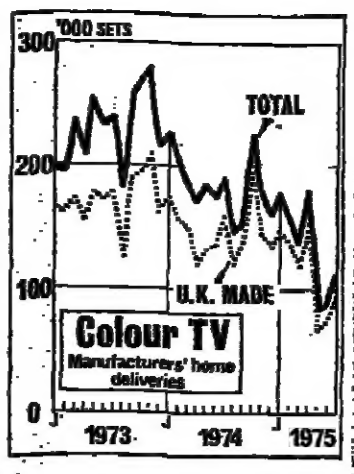
Figures from the British Radio Equipment Manufacturers' Association show the normal slight July recovery in sales over June. But the 106,000 sets which went to retail and rental outlets was still a considerable drop over the 190,000 which went out in July 1974.

The seven-month figures are 30 per cent. down on last year, showing that the position is deteriorating. But while the colour market declines, so the monochrome business continues to recover.

There was a 22 per cent. rise in black and white set deliveries in July this year, compared with a year earlier, at 89,000 sets. However, only half these sets are made in Britain and, as British makers phase out monochrome, the U.K. market share is falling.

The seven-month monochrome delivery totals are up 10 per cent. on 1974.

Audio system deliveries are relatively static (the one-month figures down 6 per cent. and the seven-month down 4 per cent.).



Radio receiver deliveries were down by 19 per cent. over the seven months. These sets are largely made abroad.

Dartmoor probe in November

A PUBLIC inquiry into the use of Dartmoor for training by the armed forces will open at Devon County Hall, Exeter, on November 25. Initially the non-statutory inquiry, to be conducted by the Baroness Sharp, will sit four days a week.

The programme for the inquiry will be announced at the opening session and those interested should contact the Department of the Environment office in Bristol.

Leyland dropping Wolseley name

FINANCIAL TIMES REPORTER

BRITISH LEYLAND is rationalising its 18-22 range from seven to four models and dropping the Wolseley name.

To differentiate the new range — launched this year — from the previous 1800-2200 range introduced in 1963, the company is to designate them by the name "Princess."

The four cars in the reduced range will be: the Princess 1800, Princess 1800 HL, Princess 2200 HL and Princess 2200 HLS.

Apart from the engines, the only difference between the two 1800 models and the two 2200 models will be the head-lamps—circular in the case of the 1800 and trapezoidal on the 2200.

When the cars go on sale in the U.K. later this month, they will cost the same as the Austin, Morris or Wolseley models which they replace. The range will be introduced into Germany in January.

Licence at £5 to last until driver is 70

DRIVING LICENCES will cost £5 from January 1, but last until the holder's 70th birthday.

Dr. John Gilbert, Transport Minister, is putting forward legislation scrapping the present £1 three-yearly licence, the Environment Department said yesterday.

Drivers over 70 will be able to renew their licence at three-yearly intervals after January 1, and drivers of any age with disabilities may be granted licences for a limited period.

In the three-year transition from the present system, drivers over 65 will have to pay only £1 for a "once-for-all" licence.

The Department also said that, from October 1, no endorsements would be removed from a licence until four years after conviction, instead of three years as at present. "This technical change will prevent defendants concealing relevant past convictions from the court by obtaining a new licence before the hearing. The period during which a conviction will count for "totting up" purposes will not alter."

Inertia seat belts 'create problems'

BY PETER FOSTER

A CLAIM that inertia-reel seat belts may create more problems than they solve is made in a report prepared by the accident research unit of the Birmingham University.

The authors of the report, which appears in this week's issue of Autocar, visited some 200 accidents around the country, selecting 82 of these for closer study.

Of those wearing seat belts in these accidents, a disproportionate number injured by "excessive forward movement" were wearing inertia reel belts, indicating a higher failure rate than for static belts.

The general arguments put forward in favour of inertia reel belts are that they take up the slack automatically, whereas static belts are often worn with too much slack, and the inertia types are easier to put on than their static counterparts.

Although the report does not argue with the second point and confirms that it is safer to wear belts than not, it also points out that the evidence that they sometimes fail to lock on impact introduces problems which demand to be solved.

It concludes that consideration needs to be given to the adequacy of current standards and design.

NSPCC faces £100,000 deficit

A "GRAVE cash crisis" is threatening the National Society for the Prevention of Cruelty to Children, it was stated yesterday.

The charity, which received a £60,000 emergency Government grant earlier this year, is asking for another as it faces a £100,000 deficit by the end of this month. To cut expenses it hopes to cut the number of inspectors from 240 to 220 by next summer through natural wastage.

U.S. company in Spode link talks

BY RHYS DAVID

BOEHM, a U.S. porcelain company, has emerged as a possible itor for Spode, the Stoke-on- ent bone china manufacturer, it on the market in June by its nerican owners, the Carborun- m Corporation.

Boehm's owner, Mrs. Edward ehm, who is now in London, dicated yesterday that her com- ny might be interested in a k with Spode. She met Mr. lliam Wendel, the Carborun- m president, earlier this week d is planning to visit Spode's ctory in Stoke next week.

Mrs. Boehm is in London for e auction to-night of a pair porcelain swans presented by r company to the World Wild- e Fund. The swans will be ctioned by Sotheby's at rrods and opening bids of mor n $100,000 are hoped for.

Boehm specialises in limited ition porcelain sculptures of ds, animals and flowers and eady owns two studios in the K. at Malvern where 150 people e employed. The company's adquarters is in Trenton, New rsey.

Carborundum, which has put a value of $16m. on Spode, acquired the company in 1966 as part of a move to diversify from its concentration on industrial products, mainly abrasives. The company admitted this year that it was proving difficult to fit a prestige tableware concern into its overall marketing strategy, and invited interested parties to make an offer for Spode.

The company, which insists that it will sell Spode only to another top quality manufacturer, confirmed yesterday that there had been talks with a handful of companies which had shown series interest.

Mrs. Boem said yesterday that acquisition of Pode would bring together two companies with a complemnetary range of products which could be sold together in prestige outlets.

For Boehm a deal would bring the company into fine tableware for the first time with a name already established as one of the top fine china producers.

U.K.-Ireland air fares up 8%

A RISE of 8 per cent. on all ormal and special air fares etween the U.K. and Ireland as been approved by the Civil viation Authority with effect rom September 1. Inclusive our fares go up by that mount from November 1.

The rise makes the London-Dublin normal tourist return fare £47.88, and that to Cork £55.60.

It was recently announced that the airlines flying U.K. domestic routes were seeking increases ranging up to 15 per cent. in fares to become effective on November 1. Public hearings on those applications are to be held in London next week.

Private invisible earnings up

BY MICHAEL BLANDEN

BRITAIN'S GROSS private invisible earnings abroad rose to £2.52bn. in the second quarter of this year against £2.35bn. in the same period of 1974, according to official statistics.

This is pointed out by the Committee on Invisible Exports which examines the recently published balance of payments figures. Over the first half as a whole, earnings amounted to £5.04bn., a rise of over £300m. compared with the £4.69bn. in the first half of last year.

U.K. Balance of Payments

CURRENT ACCOUNT
£ million

	1972	1973	1974	1975 1st qtr.	1975 2nd qtr.
Visible trade					
Exports (fob):					
Other goods	8,921	11,431	15,190	4,479	4,329
Oil[1]	219	340	696	158	150
Imports (fob):					
Other goods	—8,953	—12,785	—17,001	—4,420	—4,213
Oil[1]	— 877	— 1,281	— 4,119	— 939	— 791
Visible balance	— 690	— 2,295	— 5,234	— 722	— 525
Invisibles					
Government services and transfers (net)	— 564	— 798	— 880	— 197	— 253
Private services and transfers (net)	+ 802	+ 867	+ 1,094	+ 295	+ 252
Interest, profits and dividends (net)					
Public sector	— 134	— 195	— 356	— 148	— 138
Private sector	+ 714	+ 1,591	+ 1,788	+ 456	+ 429
Invisible balance	+ 818	+ 1,460	+ 1,566	+ 406	+ 290
Current balance	+ 128	— 835	— 3,668	— 316	— 235
Net seasonal influences on current balance	—	—	—	— 288	— 101
Current balance	+ 128	— 835	— 3,668	— 604	— 336

[1] Petroleum and petroleum products.

HOME NEWS

Heavy staff redundancies feared at British Enkalon

BY RHYS DAVID

SUBSTANTIAL redundancies among management staff are expected to be announced at the end of this week by British Enkalon, the fibre-producer, which revealed a £3.1m. pre-tax loss for the first six months of this year yesterday.

The redundancies, part of a drastic cost-cutting programme, are likely to affect a total of around 100 management and research staff at the head offices in Leicester and at the main plant in Antrim, Northern Ireland—roughly one-quarter of the total management complement.

Mr. J. Martin Ritchie, chairman of British Enkalon part of the Akzo group, which has also experienced serious problems in its Enka Glanzstoff fibre subsidiary on the Continent, blamed the company's difficulties on the very poor trading conditions in the U.K. textile industry during the whole of this year.

He said yesterday: "The most important problems are the continuing high levels of imports of man-made fibres fabrics and garments, the reduction in stocks by wholesalers and retailers and the uncertain outlook for consumer demand." He warned that it could be well into 1976 before there were any signs of a significant recovery.

Mr. Ritchie pointed yesterday to the enormous increases the company, which incurred a loss before tax of £1.2m. in the last six months of last year, had had in labour, energy and other costs over the past year. At a time of depressed demand and pressure from low cost imports it had proved impossible to recover these increases through higher prices.

A number of fibre companies have warned that prices will rise despite the poor state of demand and the problems which many of their customers are experiencing. Hoechst yesterday said it would increase its prices of textured filament yarn by an average of about 10 per cent. from the beginning of October and other leading producers are thought to be planning upward adjustments.

Hoechst said the increases would absorb only part of the escalating production and distribution costs felt throughout Europe, and that even after the increases prices would still be slightly lower than in the first quarter of 1974. The company said the rises were vital if production and development programmes were to be maintained.

Du Pont has recently increased prices for polyester filament—used extensively in the double jersey knitting industry—by about 14 per cent. and ICI prices were raised in the summer on some products. Both companies have said further increases "will be necessary."

Company results Page 20

4,000 UDS workers to go on three-day week

BY RHYS DAVID

ANOTHER LEADING men's tailoring concern has announced a cut in working hours because of lower demand in shops.

UDS, which operates the John Collier and Alexandre multiple tailoring chains, said yesterday it would be putting some 4,000 workers in the North East of England on a three-day week from next week.

Last month the Burton group announced that nearly 7,000 workers in Burton and Jackson the Tailor factories in Leeds and the North East would lose a week's work during September.

UDS says there has been a marked reduction in consumer purchasing over recent weeks and this made it impossible to maintain full production capacity. As the company made most of its own garments there was very little leeway for cutting out outside suppliers.

UDS is to review the position on a weekly basis and there are hopes that some improvement might occur before Christmas. The company pointed out, however, that there were still considerable doubts over likely consumer expenditure next year.

The short-time working will affect John Collier factories at Gateshead, South Shields, Middlesbrough and Hartlepool and Alexandre plants in Peterlee and Darlington. Workers at the plants who will be laid off on Monday and Tuesday each week are expected to lose about £11 per week in wages.

The other large Leeds-based multiple tailor, Hepworths, has so far not announced plans for any reduction in working hours. But another Leeds clothing concern, Sumrie, has put 1,000 employees on a four-day week.

Chance Brothers is to close its Smethwick glass works, making 350 workers redundant. Shop stewards at the factory were told yesterday that the factory would close on March 31, 1976. The company is transferring its flat glass section to its plant at St. Helen's, Lancashire.

Metal Products, of Willenhall, Staffs., has laid off its entire work-force of 73. The company, which was working a three-day week for a number of months, reported a big stock deficit last week.

Deferred tax-accounting rule

BY MICHAEL BLANDEN

ALL COMPANIES will be required to provide for deferred taxation where there are "material" timing differences in tax payments under a new accounting standard published to-day.

The standard is published by the leading accounting bodies under the title Accounting for Deferred Taxation (SSAP 11), and follows a long period of debate and argument since the draft proposals were published in May, 1973.

Setting aside deferred tax has assumed growing importance in recent years with the impact of 100 per cent. first year allowances on capital expenditure and other reliefs.

An increasing number of companies have been adopting various methods of making such provisions, though some, such as Courtaulds recently, have not provided for deferred tax on the grounds that allowances would keep the tax below the full rate for some years to come.

The accounting principles proposed by the Sandilands committee on inflation accounting, however, would involve extensive deferred tax provisions. The new standard can be regarded now as a step in the same direction.

A major change has been made in the standard from the original draft, however, to take account of the heated argument which has taken place over the methodology of providing for deferred tax.

Originally, the accountants proposed to allow only one method, the "deferral" method, for dealing with deferred tax. Under this method, tax is provided at the rate ruling at the time when the differences in timing of tax payments arose.

Recognising that many companies use the alternative "liability" method—which requires deferred tax balances to be updated to current tax rates—the standard now permits the use of either.

The standard requires disclosure of the nature and amount of the major elements of which the net balance is composed, and description of the method of calculation used. It also requires the amounts of deferred taxation arising from movements on reserves (for example, resulting from an asset revaluation) to be shown separately.

Where the value of an asset is shown as a note to the accounts, this should also show the tax implications which would result from realisation of the asset at the balance-sheet date at the stated value.

Decline in bank manager's role likely

By Michael Blanden

FURTHER diversification of bank services will present problems for the traditional role of the branch manager as adviser to his customers, Mr. Geoffrey Taylor, assistant chief general manager of the Midland Bank, said yesterday.

At the Institute of Bankers annual seminar, Mr. Taylor foresaw the need for a more centralised advice system with some services being concentrated in local main offices.

A customer who wished to borrow a substantial sum might have to explain his needs to the "central branch" if his account was held with one of the smaller branches. Specialised advisers might be better equipped to help the customer than "the 'G.P.' manager of to-day."

For corporate customers, he argued, "direct contact with a centre equipped and manned to give a more sophisticated and, perhaps, more truly professional answer to his requirements for a wide range of advice and assistance, might have its advantages over the more individual service now given at the local branch of which he may be the most valued customer."

Three customers in 10 find account wrong

BY ELINOR GOODMAN

THREE out of ten bank customers who examined their bank accounts in detail found mistakes in the previous two years, a survey by the Consumers' Association showed yesterday. In its highly critical report on the service offered by the clearing banks, Which?, the association's magazine, cites National Westminster as making more mistakes than its competitors.

The survey, carried out among 2,600 Consumers' Association members with more than 3,600 current accounts among them, shows that customers of the smaller banks are usually more satisfied with the service they get than those with accounts at the "Big Four" clearing banks. Of 12 clearing banks studied, Lloyds was the only one of these in the top half of the table, with 90 per cent. of its customers satisfied with the service offered and 86 per cent. saying they would be prepared to recommend the bank to their friends.

A third of the National Westminster customers questioned said they would not be prepared to recommend the bank to others, while only 83 per cent. of National Westminster's clients said they were satisfied with the handling of their account. Eighty-seven per cent. of both Midland and Barclays customers said they were satisfied with the standard of account-handling, while 81 per cent. of the Midland customers said they would recommend it to others. Seventy-six per cent. of Barclays customers said they would recommend it.

Of the smaller banks, though a considerably smaller sample of their customers was used for the survey than for the big ones, Co-operative, Yorkshire and Williams and Glyn's all did better than any of the Big Four. Co-operative was particularly highly rated for its longer-than-normal opening hours and short queuing time to draw cash.

The National Giro scored lowest of the banks covered on standard of service, with only 77 per cent. of its customers stating themselves happy with their account handling. Only 74 per cent. of the Giro's customers said they would recommend it to friends.

Banks as a whole came out the survey fairly well with, on average, nine out of 10 members "satisfied" or "very satisfied" with the way the bank handled their accounts. Eight out of 10 said they would certainly or probably recommend the bank to others.

Well over half the mistakes discovered in the statements concerned standing orders. The single most common ground for complaint was that a standing order had been paid out after it had been cancelled.

Fuel costs

This month's issue of Which? also looks at fuel costs and concludes that consumers are likely to get the lowest bills if they use some type of solid fuel and gas. By far the most expensive, the magazine says, is electricity.

● National Westminster said yesterday that it went to a great deal of trouble to maintain a high standard of service and that it constantly monitored accounts for error.

Grindlays may raise £30m. capital

BY MICHAEL BLANDEN

PLANS TO RAISE up to £30m. of new capital may be disclosed by Grindlays Bank when it announces its interim results next Thursday.

The funding operation, however, is now thought likely to include a substantial element of loan stock issue rather than the straight rights issue of ordinary shares anticipated earlier. The loan stock would probably be taken up by the group's two major shareholders, First National City Bank and Lloyds Bank.

The moves follow last year's £14m. provisions by the Brandts merchant banking subsidiary mainly against its property lending, which has been followed by Brandts' departure from the Accepting Houses Committee and substantial management changes.

Since that news, it has been confirmed that further substantial provisions are likely in Brandts, put last month at some £10m., reflecting a further deterioration in the property lending situation. This should also be disclosed next week.

Proposals have already been announced for Citibank to increase its direct stake in Grindlays from 40 to 49 per cent., though details of this arrangement have waited on approval of the various authorities. It is thought that this could provide some £7m. to £9m. of new funds.

Earlier this year, it was suggested that the bank could make a rights issue to raise further capital. This would, in turn, involve an issue by its parent Grindlays Holdings, which would then hold the other 51 per cent. of the bank. Lloyds Bank has a 41.4 per cent. stake in Holdings.

However, the less favourable climate for rights issues and the probability of further provisions now make it more likely that Grindlays will look to a loan stock issue, with the support of the main shareholders, to provide the needed capital funds.

Progress a[t] Chequers on Scottis[h] Assembly

By John Bourne

FURTHER PROGRESS to[wards] the Government's legislati[ve pro]posals for a Scottish Ass[embly] was made yesterday at [the] biggest and longest Che[quers] meeting so far of Ca[binet] Ministers.

In addition to Mr. Wils[on] Ministers of the 23-[member] Cabinet attended the all-da[y dis]cussion—the third to be h[eld at] Chequers this year.

These will be publ[ished,] Whitehall believes, as a [White] Paper in the second we[ek of] October and will be follow[ed by] a long and complicated [Bill] also dealing with devoluti[on] measures for Wales—nea[r the] New Year.

More Home News Page 24

At least one more Che[quers] meeting is expected before decisions are taken on al[l the] proposals. Those under d[iscus]sion are the creation of a Sc[ottish] Assembly based in Glasgo[w with] executive and financial [powers] being exercised by a "Sc[ottish] cabinet," but with the sco[pe of] legislation being deter[mined] mainly by specialist comm[ittees] of the Assembly's members.

Other points being consi[dered] are that there should still [be a] Scottish Secretary in the B[ritish] Cabinet, and 71 Scottish [MPs] elected to Westminster, but all Scottish legislation on ho[using,] education and health shou[ld be] broadly devolved to the Ass[embly] together with ultimate res[ponsi]bility for the administ[ration] of justice and law reform.

The Government is believed to be moving to the idea of the Assembly h[aving] limited powers to raise a p[ropor]tion of its own revenue in taxes—up to 10 per cent. pe[r cent.] of the block grant it will r[eceive] from Westminster.

Ferranti agreement completed

By Christopher Lorenz

FERRANTI shareholders ye[ster]day unanimously approved [the] agreement giving the Go[vern]ment 50 per cent. voting r[ights] in exchange for injecting £ [...] in loan capital and new equ[ity].

The approval, given at [an] uneventful extraordinary gen[eral] meeting (following the equ[ally] quiet and brief annual gen[eral] meeting), comes just over a [year] after Ferranti's liqui[dity] problems were made public.

A short Board meeting [fol]lowed the shareholde[rs'] assemblies, and then the di[rec]tors announced that the Gov[ern]ment agreement had been c[om]pleted. Initial details w[ere] announced in May, with the sm[all] print following last month.

One of the main problem ar[eas,] transformers, is the subject [of] continuing management-un[ion] discussions. Mr. Sebastian Ferranti, hitherto manag[ing] director and chairman, who [is] staying on as chairman, says [in] the annual report that the s[ize] of the transformer business [is] being reduced.

Two major elements of [the] Government agreement are [the] appointments of a chief exe[cu]tive and—for the first time—[a] finance director, but neither h[as] yet been named. The selecti[on] procedure, carried out joint[ly] with Lord Ryder's Nation[al] Enterprise Board, is taking tim[e].

New P.O. users' association called for

Financial Times Reporter

AN ASSOCIATION of Post Offi[ce] users was proposed yesterday [at] a seminar for businessmen aime[d] at finding ways of combatin[g] rising post costs.

The suggestion came in [a] speech by Mr. Robin Fairlie, director of Reader's Diges[t,] which is a large user of the Po[st] Office. The meeting was organise[d] by Oyez-International Busines[s] Communications.

"The Post Office Users' National Council (the Govern[ment] watchdog) has done its bes[t] but the Government has chosen to ignore the major part of it[s] recent findings," Mr. Fairlie said. "What we must have is a body the Government and Post Office cannot ignore."

The purpose of the seminar was to help find ways in which savings in post and telephone costs could be made.

The 230 delegates (representing most of Britain's large companies) decided to look at ways the number of telephone lines any company used could be reduced, and how cuts in postage could be effected through centralisation among several companies.

Coventry fights unemployment

UNION LEADERS in Coventry who fear the city will soon become a depressed area have launched a campaign against rising unemployment. They are supported by representatives of 29 unions who are now reporting back to their branches.

The unions are calling for a cut-back on all overtime in the area, which now has nearly 18,000 unemployed. They also want the retirement age lowered and Government subsidies to help firms give jobs to school leavers.

See Men and Matters Page 18

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هكذا من الأصل

"Midland Bank plays an essential part in our organisation–just as we play an essential part in world trade"

-Richard Farmer, Managing Director of Atlas Express Group Limited at Rotherhithe.

Atlas Express is one of ritain's largest independent and rivately owned freight carriers.

In 1863, village carriers still arried goods from street to street, vhile the new railways carried nem from town to town.

What was needed was a fast, fficient service for getting goods rom a street in one town to a treet in another.

Atlas Parcel Express, as it was hen called, was among the first to ill the gap.

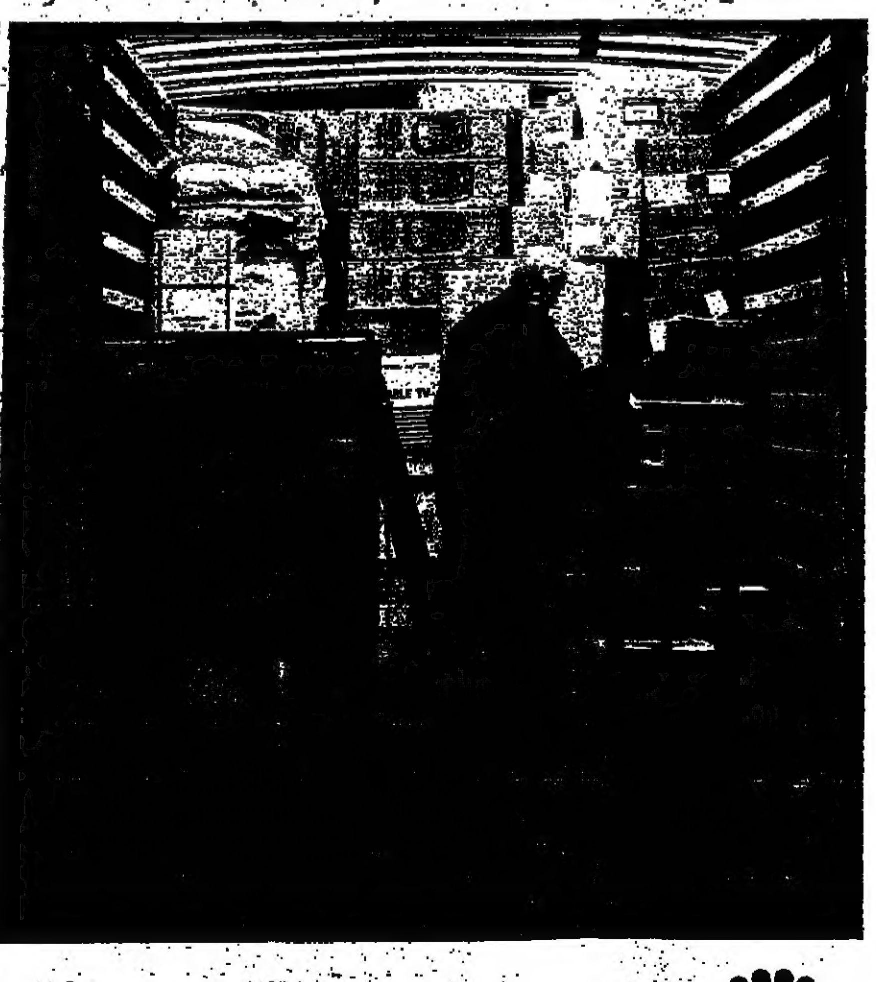
Growth and modernisation

Shortage of manpower luring and following the First World War drastically affected the company, and when Richard armer joined in 1935, during the hairmanship of his father, it had still not recovered fully.

Atlas covers Britain through over 50 collection and delivery centres.

He and his fellow directors set about modernising the company with the help of Midland Bank.

"But modernising a transport business," says Richard Farmer, "involves hefty capital



One of the Atlas vehicles passing through an automatic cleaner.

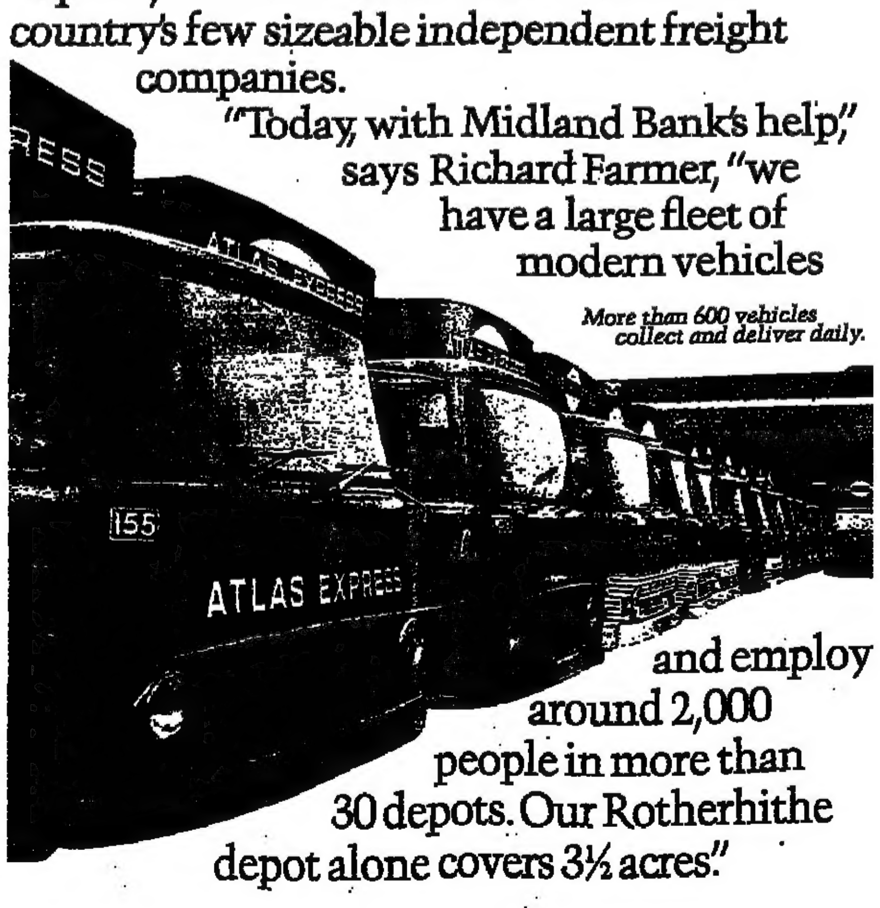
outlay for depot space, buildings and vehicles.

"In 1921, the company had to raise £2,250 in 5s. shares–a largish sum for those days–in order to continue. The shareholders responded, and since then they and Midland Bank have provided all the resources needed for our expansion."

International expansion

1947 was a major turning point for Atlas Express, as it then found itself one of the country's few sizeable independent freight companies.

"Today, with Midland Bank's help," says Richard Farmer, "we have a large fleet of modern vehicles



More than 600 vehicles collect and deliver daily.

and employ around 2,000 people in more than 30 depots. Our Rotherhithe depot alone covers 3½ acres."

Atlas Express delivers and collects worldwide through a large international network of freight agents, and has set up two other companies. Atlas Air, at Feltham, to handle purely air freight, and Eurofreight, to handle cargo on a continental basis.

"Midland Bank has always given us magnificent service," says Richard Farmer. "In fact all our directors and virtually all our staff here bank at the Midland privately.

Atlas Air HQ is Britain's first specifically designed consolidation centre.

"But most of all, the Midland has enabled us to grow on the scale needed for an international freight business–without ever having to go outside our close relationship with them for financial help or services."

As every successful business knows, expansion brings its own problems. It calls for new kinds of financial service. If it's your problem, why not talk it over with your local Midland manager?

Midland Bank Group

Principal trading companies: Midland Bank Limited; Clydesdale Bank Limited, Clydesdale Bank Finance Corporation Limited, Clydesdale Bank Insurance Services Limited, Scottish Computer Services Limited; Northern Bank Limited, Northern Bank Development Corporation Limited, Northern Bank Executor and Trustee Company Limited, Northern Bank Trustee Company Limited; Midland Bank Trust Company Limited, Midland Bank Finance Corporation Limited, Forward Trust Limited, Midland Montagu Leasing Limited, Griffin Factors Limited, Midland Bank Trust Corporation (Jersey) Limited, Midland Bank Trust Corporation (Guernsey) Limited; Midland Bank Insurance Services Limited; The Thomas Cook Group Limited, Thomas Cook Limited, Thomas Cook Overseas Limited, Thomas Cook Bankers Limited; Samuel Montagu & Co. Limited (incorporating Drayton), Drayton Montagu Portfolio Management Limited, Northern Bank Finance Corporation Limited, Midland Montagu Industrial Finance Limited, Jersey International Bank of Commerce Limited; Bland Payne Holdings Limited, Bland Payne Limited, Bland Payne Reinsurance Brokers Limited, Bland Payne (UK) Limited, Southern Marine & Aviation Underwriters Inc., Bland Payne Australia Limited; Guyerzeller Zurmont Bank AG.

LABOUR NEWS

BSC raises pay offer in Llanwern peace bid

BY LORELIES OLSLAGER, LABOUR STAFF

IN A LAST-MINUTE attempt to win union co-operation in opening a badly needed modern blastfurnace at Llanwern, South Wales, British Steel Corporation has improved a pay offer to blastfurnacemen who have been holding up commissioning since the beginning of the year.

No details of the new offer for the 150 men involved were revealed, but it is believed to be nearer their claim for a special rate of between £100 and £124 a week, depending on bonuses, for operating the furnace than it is to the £85-a-week offer which was rejected.

The corporation started the commissioning process about two weeks ago without reaching agreement with the National Union of Blastfurnacemen. On Sunday, the process will reach the critical stage when co-operation from the blastfurnacemen is essential.

The furnace has a capacity of 5,000 tons a day and will be the biggest and most modern in the U.K., comparable with furnaces used in Japan. Its introduction is part of the corporation's overall development and modernisation strategy, under which steel production at Llanwern is to be expanded from 2m. to 3.8m. tonnes.

The corporation's new offer is being considered by the executive of the National Union of Blastfurnacemen. BSC said last night that, in the light of its latest offer, "no refusal to commission the furnace could possibly be justified." It emphasised that the offer was "the absolute limit" to which it could go.

BSC has been worried that whatever it concedes to the blastfurnacemen at Llanwern will also be demanded by the men at other works who will later on be expected to work the modern furnaces. In addition, it was concerned at the effect on pay differentials of granting the blastfurnacemen up to £40 a week more for operating the new furnace than they are earning at present.

Anti-inflation pamphlet sets off pay demand

BY OUR LABOUR STAFF

THE GOVERNMENT'S attempt to explain its anti-inflation policy to every man and woman in Britain is running into trouble in Colchester, Essex, where postmen are refusing to deliver the explanatory pamphlet without extra pay.

The pamplets were to have been delivered to every household by next Monday, but there seems little chance that the deadline will be met in Colchester.

About 60,000 pamphlets are gathering dust in post offices throughout the district. Against the advice of their local union, the across-the-board payment for distributing them.

A national official from the Post Office Workers' union is expected in Colchester to-morrow to talk to the men.

Talks next week about rail cuts

BY JOHN WYLES, LABOUR REPORTER

A TOP-LEVEL bid to quell the row over proposed cuts in rail services will be made next week when a meeting between British Rail and the railway unions will try to agree guidelines for making economies.

Since Monday's revelation that BR was planning to cut some passenger services by up to 40 per cent. from January, the three unions have been vociferous in staking out their bargaining position, which is based on total opposition to compulsory redundancies.

This has already been made clear to BR since discussions on economies started last month and management has already ruled out the prospect of "widespread redundancies." BR is hoping that the cuts can be achieved by natural wastage coupled with a curb on overtime and rest-day working.

At issue at next week's talks will be the question of whether the rail unions will co-operate in such cost-cutting exercises based on radically reduced services. So far they have told their members not to agree to any economies at local level until guidelines and principles have been worked out nationally.

BR has drafted a set of guidelines to be discussed next week which it hopes the unions will agree to pass down to local level so that the economy programme can get under way as quickly as possible.

These proposals are sure to be closely scrutinised by the unions who will oppose cutbacks which would permanently reduce the size and employment of the current rail system. General secretaries and presidents of the unions are likely to meet after next week's talks with BR to see if they can chart a joint plan for exerting pressure on the Government to guarantee a stable investment programme for the railways.

CONVENOR JOINS BOARD

Mr. Larry O'Donnell was appointed yesterday as the first employee director of the Felixstowe Dock and Railway Company. Mr. O. Donnell, aged 50, has been the Transport and General Workers Union convener at Felixstowe since 1969. He said yesterday that he saw himself as the representative of the company's 800 employees on the Board and would refuse to accept the £1,000 a year director's fee

Atomic workers object to pay ruling

By Our Labour Reporter

ATOMIC workers' pay talks broke up yesterday without agreement after union negotiators refused to accept that offsetting provisions in the Government's anti-inflation policy prevent 9,000 workers being paid the full £6-a-week increase.

After consultations with the Department of Energy and Employment, British Nuclear Fuels told union leaders yesterday that threshold payments amounting to about £2 a week must be offset against the £6. This is because the threshold rises have been triggered since the August 1 start of the new policy and means that the atomic workers' deal from October 1 can yield only around £4 a week.

● The Confederation of Health Service Employees emphasised yesterday that 220,000 hospital ancillary workers would not accept less than the full £6 increase when their present deal expires in December. COHSE and other Health Service unions will discuss their claim next week and, like the 1m. local authority manual workers, will insist on the £6 as an entitlement.

2,000 members in AUEW votes hagg

BY ROY ROGERS, LABOUR CORRESPONDENT

THE ELECTION for the key West Midlands and Manchester Area post on the Amalgamated Union of Engineering Workers Engineering Section executive has been postponed following haggling over a technicality on the union's politically-split executive.

Already this year there has been a major political row in the AUEW, Britain's second largest union, which ended with Left-wing moves to abandon postal balloting for national officials being overturned in the High Court.

As a result of the latest events, next month's election, involving the sitting Left-wing member for the West Midlands and Manchester, Mr. Bob Wright, and his challenger, Mr. Terry Duffy, will be postponed for six months because of a decision to switch 2,000 AUEW members in the Banbury area from Mr. Wright's division to the AUEW's adjacent Division No. 2.

This change takes effect from next January 1 and because the Banbury members, who are predominantly moderate, will be eligible to vote in Division 2 elections next year, they were excluded from participating in Mr. Wright's Division 4 election.

Right-wingers, led by Mr. John Boyd, the general secretary, appealed against this decision and said that the Banbury members should be allowed t in the forthcoming electi

This was carried by votes to two on the exe Mr. Reg Birch, a Maoist, a ing, but the Left-wing s the situation by suggesting the Banbury members allowed to vote, they shou be allowed to make nomin

This move, carried on t ing vote of Mr. Hugh S the union president, mea the election procedure wi to begin afresh, that the cannot therefore be hei month, as planned, but next March, by which ti Banbury members wil Division 2 and eligible in Division 4.

This seemingly pointle ercise, which will cost the about £10,000 for print new ballot papers, e addresses and other mate typical of the political in in the AUEW.

Other AUEW executiv tions, due next month, ahead as planned. These a fight between Com Jimmy Reid and moderate Laird for the vacant S seat, and a contest betw for the North-West Divisi which will fall vacant wh Arthur Hearsey, a moder tires towards the end o year.

'No immediate talks' on Concorde pilots' pay

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS and the British Air Line Pilots' Association have no immediate plans for talks on the future levels of pilots' pay for flying Concorde in passenger services from next January.

Both organisations, having agreed some time ago on higher pay for a small number of top pilots involved in the present route endurance flying programme, are surveying pilot work-loads during those flights, and will only meet when the programme is over, to discuss pay and conditions of service.

It was pointed out yesterday by BA that reports that some Concorde pilots were already getting as much as £60 extra a week for this task, bringing their pay to around £17,000 a year, covered only eight senior management pilots and training captains and was in any event agreed in June, well before the Government's new anti-inflation pay policy was announced.

Both BA and BALPA recognise that since most of the pilots likely to fly Concorde in passenger service are already £8,500 a year or more, th excluded from big rises the Government's rules.

Both sides also recognis ever, that sooner or late will have to discuss wa means of meeting what th are certain to consider greater workload and responsibility of flying Co

But until the present endurance flying is com and the captains involve submitted their reports o is involved, neither side ing, or even able, to w proposals.

One suggestion mad officially has been a working hours—less flyi the same pay. Another i improvement in fringe b such as better o allowances.

hether these would be p sible for a State airline e consider in the light o Government's determinati get inflation under c remains to be seen.

Union relaxes over boilermen

BY OUR LABOUR STAFF

THE NATIONAL executive of the Boilermakers' Amalgamation has somewhat relaxed its disapproving attitude towards two union officials involved in last week's sit-in at the Cammell Laird shipyard which led to a string of court injunctions being served.

It has now told the two officials that union solicitors have been instructed to represent them in court, after initially restricting such assistance to the more than 50 rank and file members involved.

The temporary injunctions were issued last week after 100 boilermakers tried to part of the yard and management out of their in protest against lay-offs forbid the two union offic enter the Cammell premises without express sion.

About half of the Laird shop stewards are continue to reject a offered by the manageme consultations with mem the boilermakers' executi Friday. This envisag transfer of the laid-off makers to other departm

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TEXTILES

Transfer on nylon, wool and acrylic

COSTS OF raw water and the treatment of effluent are facing textile wet processors with a growing problem and one likely to worsen rapidly over the next few years.

One of the great technical developments of recent years has been the establishment of the so-called transfer printing process. This is essentially a dry system in which a release paper is printed with a series of colours that will sublime at a given temperature. In gaseous form they leave the paper and enter polyester fibres to produce a print comparable with the more classical wet prints.

This is a process that has been confined mainly to polyester fibres, although it has been used on nylon and acrylic fibres but, because high temperatures have been required, these materials often are badly yellowed by the treatment. What the industry has badly needed is a general widening of the process to treat fibres other than polyester.

Now a technique has been developed in the North of England which opens the way for transfer prints to be applied to nylon and acrylic fibre fabrics and also wool and silk, with cotton expected "in the near future."

A special series of transfer printing papers have been developed by Transprints (U.K.) (118 Shepley Industrial Estate, Audenshaw, Manchester. Tel 061-336 9521), but these are only suitable for use in conjunction with a completely new machine known as the DewPrint. It is this machine which places British technology considerably in advance of all other world competitors.

The DewPrint machine operates on the system of applying a moist "dew" to the fabric to provide a carrier whereby the dyes on the pre-printed papers may be transferred to give precise patterns and fast colours. The DewPrint machine has been developed by and is built by Dinting Engineering Company, Dinting Vale, Glossop, Derbyshire. (Tel. Glossop 3245.)

It is able to process at speeds from 5-15 yards/minute.

The new process, for which patents have been applied, is extremely simple in concept. A fabric is unrolled and taken through a special padding bath where it is impregnated and then, by taking the fabric through a nip, the amount of moisture in the fabric is reduced to a controlled level based on fabric weight per unit area and moisture uptake. After this comparatively simple pre-treatment the cloth is ready to be presented to the transfer paper which is brought against it and the two are held against a heated drum. The design on the paper then transfers to the fabric weight per unit area and fast, pattern at temperatures as low as 100-120°C., which is harmless to all the fibres for which it is intended to be used

The radically new process is extremely simple, but it has the very considerable appeal of being compact and requiring only a minimum of floor space in the plant, while the amount of steam required and the volume of effluent generated are also minimal.

It is not expected that the DewPrint process will replace traditional printing, but it is felt that with this new concept, design application on textiles is given a new dimension and it places British technology very much in the forefront of both energy conservation and pollution control.

● POLLUTION

Plastic with starch will rot

AS A RESULT of work in plastics technology at Brunel University, Middlesex, supported by Coloroll, a printing and paper converting company, what is claimed to be the first commercial bio-degradable plastic has been developed.

Initial application is for polyethylene carrier bags for the Spar grocery chain, but the method—adding starch to the polymer in proportions as high as 40 per cent.—can be used with a range of plastics (pvc, polypropylene, polystyrene and polyethylene) and for a variety of applications, from coffins and shrouds to binder twine, and from food trays and containers to horticultural mulch film and rice paddy embankments, says Coloroll.

Granules

Tiny starch granules are totally enclosed within a plastic film. Any loss of strength is compensated by using a thicker film, while the increase in permeability is said to be insignificant for most applications.

When the plastic product is discarded, micro-organisms are able to penetrate the polymer and digest the starch. This breaks down the plastic structure to the point where oxidation of the polymer chain and its subsequent collapse occur.

Because the plastic is filled with starch, a relatively cheap material, final cost of the product is usually less than if made from the original plastic alone. For example, the retail outlet plastic bag will cost 2½ to 3p, about ½p cheaper than the the conventional equivalent.

Coloroll, 54 Jermyn Street, London SW1Y 6LS which makes the bags has patented the process and is seeking licensees for other applications.

TONY FRANCE

● TRAINING

Brain drain solution sought

THE SEARCH for solutions to the twin problems of the brain drain from the developing countries, and the training of their peoples in technologies and specialities which will encourage the creation of a modern infrastructure, has been a long one.

One small but worthwhile step which could have implications in some other technologies has been taken by the International Computing Centre of the United Nations in Geneva, which is making a positive contribution by changes in the methods in which some of the technology of computing is taught.

Much of the brain drain problem arises from the way in which technological qualifications are acquired. Many of the developing countries follow the practices of the industrialised societies: they seek to give their specialists equivalent qualifications to those of the West and in the same period of time. Often, the mechanism chosen is to send the would-be specialist to the West, who, having completed his training, now finds that the rewards are far higher in the West than they would be at home. Five times as much in Europe as in Asia is not at all unusual.

The ICC's involvement stems from UN Directives and its own needs and experience, as well as the drive of its director, Dr. McKay. ICC staff currently come from 14 countries—not just the industrial countries, but also the less developed who have no specialists in computing to spare: Mali, Upper Volta, Guinea, India, and the Khmer Republic.

Many of the staff may not have had any training before they arrive, some indeed may have never even seen a computer before. However, the ICC claims that it can turn them into productive employees within two days. This has been done by completely standardising production procedures, establishing minimum-information requirements, and turning the educational process into a highly structured modular experience, in which people can be made productive very early without requiring the complete range of specialist education that the Western programmer or analyst will have.

Analyst / programmer skills have been broken down into level one to level five. At each level, the skills taught are such that the person can be usefully employed in a similarly structured computer department. But it is not till the student/worker has gone through level five that he could be said to compete with someone who has had the more intensive and shorter-term Western-style education.

By that time, however, years will have elapsed, the country will have regained its investment, and as a bonus he might well stay, because he will by then be properly embedded into the home organisation, and its power structure.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

● DATA PROCESSING

Will scan read and record

DATALOGGING equipment based on a digital multimeter, electrometer or nanovoltmeter has been announced by Keithley Instruments, 1, Boulton Road, Reading, Berks. RG2 0NL (0734 861287).

A ten channel scanner precedes the measuring instruments and an 18 column printer records time of day, channel number, data, exponent if applicable, and engineering units. The scanned channels can be expanded in multiples of ten.

A typical example is the electrometer based system which has a current sensitivity from 0.1 picoamp to 100 milliamps. Current paths on idle channels are kept intact by appropriate switching.

Other versions provide for logging of dc voltages from microvolts to 200 volts, ac voltages from 10 microvolts to 200 volts and resistances from a tenth of an ohm to a billion ohms.

There are three operating modes; manual, continuous scan and programmed scan. The latter repeats the scan and data printout at 1, 2, 10, 20, 60 or 120 minutes intervals.

GEC joins in packet switching

GEC Computers has joined the Post Official Experimental Package Switching System (EPSS). A 2.4 kilobaud line is to be installed between an in-house GEC 4080 at the company Borehamwood headquarters and the Manchester package switching exchange.

A number of other GEC 4080 and GEC 2050 users—notably Harwell, the Rutherford Laboratory and the Atlas Laboratory—are already subscribers.

At the latter centre, operated by Communications and Systems Branch, Science Research Council, a year of operational experience with a GEC 4080 computer has been completed. During that time the configuration has been increased from 64K to 96K, a variety of interface and communication channels have been added, and a preference for teleprinter-compatible-vdu control effected.

The principal mainframe at Atlas is an ICL 1906A which, besides undertaking a large amount of local work, also supports some 15 remote job entry stations. Shortly all 15 remote sites will be directly linked into the GEC 4080 which will act as a front-end processor to the ICL 1906A.

It will provide an extremely flexible message-switching service—not only selectively switching the terminals into the ICL 1906A but also giving the option of connection to Rutherford Laboratory's IBM 360/195; (Atlas users have a 20 per cent. share of this computer system). It is hoped to make arrangements for a third mainframe to be included—a Univac 1108 at the Institute of Hydrology at Wallingford.

GEC Computers, Elstree Way, Borehamwood, Herts. (01-953 2030.)

UN standard software

THE United Nations has been standardising its computer operations on IBM operating systems, which limits the other software it can use to packages which will run under OS. These currently include IBM's STAIRS and TRW's Gim 2, the networking database handling package developed for U.S. Government operations.

There is, however, no similar IBM hardware commitment, though obviously it restricts what the UN and its agencies can do by limiting them to hardware which is IBM-compatible. Currently, the processors are IBM, but some of the units which surround them come from Memorex and BASF, as well as Racal Milgo.

In 1972, the UN set up the Inter Agency Board for Information Systems, a small organisation which makes much use of outside consultants and deals with all information technologies and procedures. It also set up the International Computing Centre. Both these organisations are in Geneva.

The ICC is the only inter-agency system that exists within the UN. It began by taking over a 360/65 (upgraded from a 360/40 which was run by one of the agencies). It then upgraded to a 370/155 and in 1974 went over to a 370/158 with Megabyte of main store. Before the ICC began, it would not be unfair to write that the UN was in a technological muddle. Indeed, it is only in the past two years that the UN in Geneva has started doing payroll on a computer system.

The ICC has one of two main computer systems in the UN, the other is serving the needs of the UNO in New York. Later this year, the two are to be properly connected by a 4.8Kb link.

Essentially the ICC is a large bureau operation with some unusual characteristics. Its management committee consists of representatives of the contributing UN organisations, from the UN itself through eight others, including the World Health Organisation, the ILO, and GATT. In the latter case, it had developed and made available an economic data base which was used by many of the participating countries during the last Nixon Round.

The ICC is unique in that it is probably the only bureau in the world which has connections with every type of computer except the minis.

The ICC's tape library now is around 20,000: a unique collection. The tapes arrive with the statistics in the local classification and the data has to be converted to standard units and a standard format.

Smaller low cost modem for Datel

FITTING unobtrusively as a plinth under the standard telephone instrument, Modem 13 is now being supplied by the Post Office for use with the Datel 200 data transmission service. The rental is £75 a year, which is 25 per cent. less than that for Modem 2, the existing equipment for Datel 200.

Drawing its power through the telephone line from the exchange, the unit is designed with ordinary business offices in mind where connection will often be to keyboard/printers, visual display units or thermal printers.

There are the minimum number of controls, simplicity being the keynote on the assumption that most simple low speed terminals originate rather than receive calls. Normally a modem 13 at the out station terminal will set up a call to a Modem 13 at the central bureau.

Datel 200, which sends data at up to 300 bits/sec in both directions simultaneously over public or private lines now accounts for 14,000 of the total of 35,000 Datel terminations now working in the U.K. Some 10,000 are in Datel outstations.

● SECURITY

Simplifies help calls

NO BATTERIES, power lines or cables are needed in a simple "help box" communications unit designed in Belgium.

All electronics are solid-state; all mechanical components are solid-film Teflon coated and the devices will operate in the frequency range 72-76 MHz.

To actuate, all that has to be done is to pull a handle and push a button. A tone will indicate that help is on the way to the installation.

Pulling the handle provides power to the transmitter for a 300 millisecond message which goes to the communications centre where it is decoded to find the location of the emergency. Then an answering signal is sent to say that help is on the way from fire, police, ambulance or other services.

Signal range is up to 25 miles line of sight and the device can provide four or six functions as required.

Further information from S.A. Electricite, Antoine, Zone Industrielle 3, Chaussee de Charleroi, 5750 Floreffe, Belgium.

Close watch on visitors

ARGEN Information Services, a consultancy group specialising in security and loss prevention management, has developed a system for the safe control or evacuation of visitors to or residents of buildings such as hotel and blocks of flats.

Based on a survey of premises, visitor traffic densities, escape routes, safety and danger areas and current facilities, existing communications equipment is adapted and electronic monitoring systems are installed, so permitting control of visitor traffic in both private and public areas of the premises by a member of management.

The advantage of the system is that the building's existing communications entertainment/PA network is utilised, permitting saving on wiring and labour costs.

Argen has linked with American District Telegraph Company (ADT) to handle installations and post-commissioning servicing.

For obvious reasons specific details of operation are not given but further advice can be obtained from Roger Boswarva of Argen Information Services (01-222 2841) or Jack Neville of American District Telegraph Company (01-248 4262).

● EDUCATION

Pictures to help the dentists

VIDEOCASSETTE services to provide further education for dentists are to be launched in the U.K. on October 1.

The aim is to provide dentists with a regular supply of monthly programmes on the latest techniques in dentistry. Operators of the scheme, Stanmore Video Services (1, Whitchurch Parade, Whitchurch Lane, Edgware, Middlesex, HA8 6LR, are offering members of the British Dental Association a Philips VCR video cassette recorder/player on three- and five-year leasing plans—at monthy rates of £17.74 and £12.36 including VAT—and a regular programme (on loan) for an annual fee of £129.60 including VAT. Equipment leasing rates for non-BDA members are slightly higher.

An editorial team of dental specialists has been assembled to appear in the programmes, which are being produced on one-inch video tape using the studio facilities of Action Video in London. The intention is to provide dentists with regular reports on new techniques and also to give them a chance to hear the views of experts in various dental subjects.

The scheme is not the first videocassette facility to be planned for the health and medical professions. Another aimed at GPs is also due to be started by advertising agency Plumley Nappin Dent and Co. under the name of Mediscope—following a French scheme of the same name. Also in France an educational network for mothers in maternity hospitals has been pioneered by another company.

Most medical networks have relied on the inclusion of advertising spots to finance the schemes, but until now, operators of these networks have had some problems—the most disastrous of which was Ullstein's Medicolloc scheme in West Germany, planned to provide doctors with video discs programmes early in 1974 but abandoned because the innovatory TeD video disc player ran into a major technical snag.

JOHN CHITTOCK

● MATERIALS

Cements fo[r] exacting purposes

INDUSTRIAL Science is offe[ring] the Elosol Chemicals (Zu[...]) range of refractory ceme[nts] under the trade name "G[...]stil." The three grades [are] called C3, C10 and GC.

Grades C3 and C10 are [...] single component [...] polysilicate base powders [...] mixed with tap water. [...] practical features make [...] highly desirable adhesives [...] variety of specialised appli[ca]tions in which they are cap[able] of withstanding temperatures [in] excess of 1,000°C (C3) [...] 1,500°C (C10), chemically re[sist]ant, have less than 1 per [...] shrinkage and form excep[tion]ally high strength bonds [...] having long shelf life.

Grade GC is the end-pro[duct] of a long research program[me]. It is a specialised joining [com]pound used in the bonding [of] carbon or graphite. As a [...] component material its make[-up] consists of 99 per cent. [...] carbon.

Industrial Science presents [it] as a panacea for the heada[ches] of many analysts in the field [of] carbon bonding research. [...] cations may be found in [...] nuclear and aerospace indu[stries], chlorine pot lines, alumin[ium] smelters, etc.

Leader House, Snargate St[reet], Dover CT17 9DB. Dover 202[...]

● INSTRUMENTS

Approval for U.K. tachograph

ALTHOUGH THE dates for [im]plementation of the EEC reg[ula]tions requiring new [...] vehicles over 3.5 tonnes [...] weight and certain passe[nger] vehicles to be fitted with ta[cho]graphs are under review by [the] Government, the manufactur[ers] of these instruments seem to [be] forging ahead, and Veeder-R[oot] has just announced that its U[...] designed and made unit [has] received formal EEC acceptan[ce].

Apart from recording distan[ce], speed, driving time, oth[er] periods of work, breaks in w[ork] and daily rest periods, and a [...] opening of the case containi[ng] the record sheet—all EEC [re]quirements — the Veeder-R[oot] instrument is stated to be up [to] two inches shorter than compe[ti]tive models and able to record either one or two charts witho[ut] modification or additional [fit]tings.

The instruments will be ava[il]able in quantity by the spring [of] 1976 and the company says it [is] in the process of providi[ng] service facilities for the units [in] the form of a network of a[p]proved calibration and testi[ng] stations throughout the countr[y].

FINANCIAL TIMES SURVEY
Thursday, September 11, 1975

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The Coal Industry

At long last Britain's coal industry is operating at a profit and appears to have the prospect of a period of stability—even of expansion given control of costs. All this is a measure of the effect of the changing world energy situation.

Moving with fresh heart

By Harold Bolter
Industrial Editor

AT THE MOMENT coal provides as much as 40 per cent. of Britain's energy needs. This is, of course, home produced energy: according to the National Coal Board every million tons of coal mined saves the nation's hard-pressed balance of payments no less than £25m. in oil imports. The financial attractions of coal are therefore obvious in this country as in others which have had to cope with soaring oil prices.

For example, the EEC countries as a whole are 60 per cent. dependent on imported energy, following a substantial run-down of the coal industries in several countries which saw coal-mining capacity fall by 180m. tons in 15 years. They are now determined to reduce this dependence, although the Community's Council of Ministers has so far settled for only the maintenance of coal production. Effectively this means output increases in Britain and Germany to offset reductions in France and Belgium over the next decade.

Their argument is that North Sea oil production will probably reach its peak at around 200m. tons of coal equivalent and will only cover about one-sixth of West European oil requirements in the mid-1980s, while European natural gas can at best contribute 15 per cent. to total energy needs. The coal producers also claim that although nuclear power may well become an essential replacement fuel this will not happen until the end of the century—an arguable thesis.

In a wider context, it was also decided at the beginning of this year that Britain should take the lead role in developing a multi-national research programme in coal technology. Britain was given this role because it leads the world in several key facets of coal technology—longwall face working, safety practice and coal conversion, for example—although the funds made available for research here are obviously much lower than those deployed in the U.S.

In a very real sense, the U.K. is in a much more fortunate position than the other Western European countries. Although there was a considerable contraction of the industry during the 1960s it was still left with a national deep-mined capacity of about 120m. tonnes a year of deep-mined coal and another 10m. or more of open-cast capacity. This means that the U.K. is responsible for half the total capacity of Western Europe. For that reason it can be argued that the extensive subsidies made available to the NCB since nationalisation will turn out to be money very well spent.

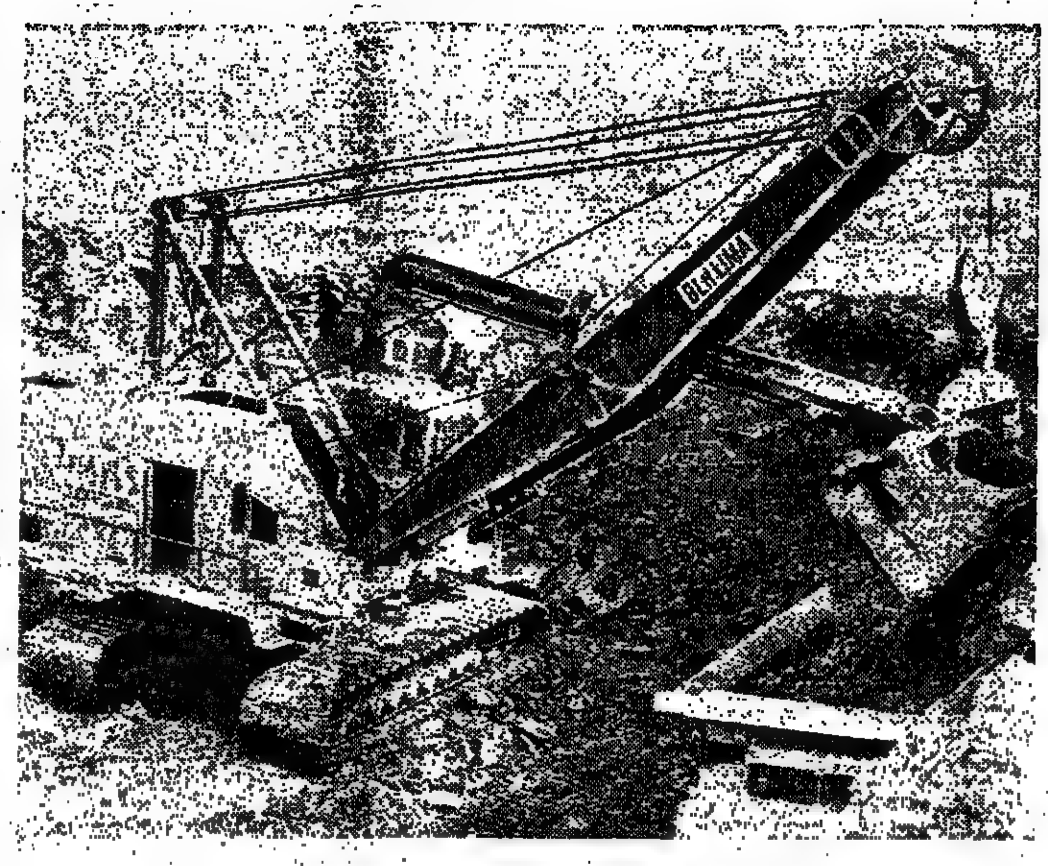
That still remains to be seen, however. What can be said with certainty is that 1974-75 was a memorable one for the Coal Board, although it started badly enough with the industry recovering from the overtime ban and strike which occurred during the final months of the previous financial year.

In the event, although the industry failed to achieve its original objective of producing 120m. tons of coal from deep mines, output did reach 115m. tons, which was almost 18m. tons better than the previous year. As a result, the industry met the demands placed upon it, including the increased demand which came as consumers such as the electricity generating industry switched away from oil.

More miners

For the first time since 1957, the NCB was also put in the position where it wanted to increase the size of its labour force. Once again, it was successful, partly as a reflection of the uncertainty surrounding employment in other industries and partly the fact that mining had become more attractive financially following a series of wage increases.

Manpower increased by 6,200 during 1974-75 to reach 248,800 at the end of the year. And since then, as Sir Derek Ezra, the Coal Board's chairman, has pointed out, there has been a continued recruiting drive. At a time of concern over the shortage of jobs for school leavers, the NCB has already recruited as many school leavers and teenagers during the few months of the present financial year as it achieved during the whole of 1974-75—some 2,000. Moreover, it is now in the process of taking on another 4,000 more school-leavers.



Clark Lima 2400B crawler-mounted shovel on an opencast coal site near Chesterfield.

It should be emphasised, however, that future recruitment will be more selective and that the NCB will have to pay more attention to the effective deployment of available manpower, rather than to numbers employed. The reasons for this were shown up clearly during 1974-75.

At the beginning of the year overall output-a-manshift was running at 42 cwts, and although it went higher for a short period the average for the year as a whole was only 45 cwts. Indeed, output from collieries now operating has been substantially less than the same collieries achieved in the late 1960s and less than they are forecast to achieve in future years.

An important reason for this was the fall in manpower which took place before 1974-75. Manpower levels had to be built to produce the necessary bulk output as the greatest efficiency, given the high proportion of men needed away from the coal-faces to support the operation of a colliery. But the training of new recruits is necessarily lengthy and costly and some of the extra men taken on last year only became fully productive towards the end of the year, a significant factor in holding back overall output-a-manshift.

Bigger units

This situation should improve during the current financial year, however, and there should also be benefits from the fact that there are now more coal faces in operation 1763 this month compared with 750 in June. Considerable efforts are also being made to phase out low-output faces and to replace them with bigger producing units.

The NCB should also start to reap the benefits of the substantially increased investment programme which was made possible as a result of the Government's decision that the NCB should be allowed to implement its 10-year "Plan for Coal."

The aim of this plan is that the NCB should obtain an extra 9m. tons of coal a year by extending the life of pits which would otherwise exhaust, 13m. tons a year from major improvement schemes at existing pits, and 20m. tons a year from new collieries, including up to 10m. tons from the exciting Selby coalfield in Yorkshire.

Together, these schemes are intended to provide an extra 42m. tons of coal by 1985, at an estimated capital cost of some £600m. (as 1974 prices) over and above the requirements of some £70m.-£80m. for ordinary continuing capital expenditure.

By the end of the last financial year the NCB had authorised 22 of the 80 major projects provided for in the scheme. On completion these are planned to produce 9m. tons a year of the 42m. tons in the "Plan for Coal." And at the end of the year, work involving a total expenditure of £110m. had actually started on projects costing over £500,000 each.

In addition, the Coal Board's exploration programme list was the largest in the industry's history, involving 96 boreholes over 1,000 feet deep and 380 line-miles of seismic work. A further increase in exploration activity is planned during the present financial year.

The U.K. coal industry is obviously in a buoyant and optimistic mood, therefore. The one cloud on the horizon at the moment is the question of whether it can contain its costs and remain as competitive as at present. As the NCB admits, some of its commercial advantage has been eroded because of the price increases made necessary by high wage settlements in the industry.

But even in this area there is room for cautious optimism, at least as far as the current financial year is concerned, as a result of the miners' decision to accept the Government's £6 pay rise limit. The hope is that £33.8m. operating profit reported by the NCB for 1974-75 (with a small loss after interest charges and taxation) was only a prelude to a much more profitable future.

U-turns in union policy

ANYONE TEMPTED to believe that the recent pithead ballot in favour of the Government's anti-inflation policy ensures that the National Union of Mineworkers will accept the £6 limit in its wage negotiations next year should cast their minds back over the last 12 months, during which the union's deep political instability has left every major policy decision subject to the threat of sudden reversal.

The political battle within the National Union of Mineworkers between Left and Right has over the past few years been waged without benefit of ceasefire. The main protagonists on the union's national executive rarely accept the permanence of decisions which go against them.

The result is a strong tendency within the NUM towards policy U-turns because neither the Left nor the Right on the union's executive has been able consistently to hold the upper hand. Although the Government's supporters may want to believe that the recent pithead ballot put the miners' acceptance of the £6 limit above dispute, the politics of the NUM are such that a Left-wing campaign is likely to start almost immediately, aimed at eroding miners' support for the anti-inflation policy.

The first grapeshot can be expected over the next few weeks and may take the form of resolutions from Left-wing pits in Yorkshire, Scotland and South Wales to their area councils expressing concern at the rate of price rises and the consequent erosion of miners' wages. These militant area councils may use these resolutions as the basis for calls on the NUM executive to reconsider the ballot decision, perhaps suggesting a recalled conference to decide whether miners wish to continue to support the Government. The national executive would be reminded of the NUM conference decision in July to seek a £100 a week rate for faceworkers and it would be told that this claim should be the basis of negotiation, not any £6 limit, because of the difficulties caused by inflation.

Voting blocs

This scenario would reflect similar tactics used in the past when the Left-wing miners leaders have prepared the ground in their areas before taking the fight to the national executive. Once a major issue is before the executive the numerical balance of power becomes all-important because Left and Right have formed voting blocs whose cohesion has only once been eroded in recent times, and that was during the extraordinary negotiations on a coal productivity deal last autumn.

The NUM executive has 25 members plus Mr. Joe Gormley, the union's president, who has a chairman's casting vote in the event of a tie, and Mr. Laurence Daly, the general secretary, who does not have a vote. On the executive the Left, which includes six members of the Communist Party, has a solid vote of 10 and a possible vote of 12. This fine political balance means that absences through illness or other business can, on occasions, have a vital impact on the union's decisions.

An excellent illustration of this came last December when the NUM's negotiating committee, charged with responsibility for framing the union's annual pay claim, held a meeting which Mr. Joe Gormley failed to attend because of illness and from which Mr. Len Clark, the Nottinghamshire miners' president and a leading moderate, was also absent. This meant that Mr. Mick McGahey, the NUM's Communist vice-president, was in the chair, and after a 6—6 tie he cast his vote in favour of a claim for a £30 pay rise—well above anything that could be justified in terms of the social contract pay guidelines operating at that time.

In the executive the following day, the moderate majority threw out the claim on the grounds that the union's conference earlier last year had supported the social contract. Presiding over the executive in the absence of Mr. Gormley who was still on his sick bed, Mr. McGahey ruled that the vote against the claim was out of order, arguing that members of a sub-committee were all bound by its majority decision when they came to vote on the executive.

Amid great confusion, moderates summoned their leader, Mr. Gormley, from his bed to come and give his ruling to the executive. Predictably, Mr. Gormley ruled against Mr. McGahey and the £30 claim and thus another U-turn was accomplished.

These moves come only a few weeks after an attempt to negotiate a productivity scheme for the industry had ended in recrimination and bitterness because of a major tactical victory by the NUM's Left-wing.

With coal's future formidably strengthened by the spiralling price of oil, the National Coal Board wanted last year to introduce a scheme which would offer miners a real financial incentive to dig more coal and in the process to reach the 120m.-ton output target agreed with the NUM in March 1974. This was the industrial purpose of the NCB's proposals to pay miners bonuses for exceeding output targets set for each coalface at each particular pit. But the political purpose, greatly attractive to both the Government and moderate miners' leaders, was to weaken the importance of the nationally agreed pay rates through such a bonus scheme. This would almost certainly reduce the likelihood of miners mobilising around a national claim to challenge a Government's pay policies as they did in 1972 and 1974.

Compromises

NUM militants were not slow to see the potential threat to miners' power posed by the Board's proposals and took their initial stand on the union's policy that only a national productivity scheme could be acceptable, despite the fact that it was widely recognised that a national scheme removes the incentive so far from the point of production as to make it virtually useless as a genuine carrot. Faced with this intransigence the Board agreed to a string of compromises during the protracted negotiations and was encouraged by apparent Left-wing acquiescence to believe that its final version of a scheme combining both national and local bonuses would be acceptable.

But in a key vote the Left confirmed suspicions that in encouraging the Board to compromise it had been merely stringing negotiators along by winning a bare majority for a recommendation to miners to reject the productivity proposals in a pithead ballot. This victory was achieved with the help of two Right-wingers who broke ranks because of their unyielding opposition to anything but a national scheme.

The pithead ballot result a few weeks later which produced a 3-to-2 majority against the Board's proposals has imposed merely a temporary standstill on the NCB's efforts to[...] acceptance of a genuine[...] based deal. Its case has [...] greatly strengthened by [...] failure of the national [...] scheme agreed last Ma[...] Apart from a £2.90 payme[...] the first 3 months of its [...] this scheme has so far [...] failed to encourage a pro[...]tion rate which would yiel[...] 120m. ton output target fo[...] year.

Stagnant output has [...] become one of the NCB's [...]cipal anxieties and the [...] is continuing for an expla[...] as to why output at the [...] is only 122,000 tons up [...] year despite the fact tha[...] are 4,000 more miners an[...] pits are not this year suff[...] from lingering disr[...] caused by a national strik[...]

For obvious reasons [...] Board can never pub[...] entertain the idea that mi[...] are not working hard. [...] But some NUM leaders [...] believe that miners [...] slackened off in some [...] because they are worrie[...] mild weather coupled with [...] decline in industrial [...] will lead to such a build-u[...] coal stocks that their jobs [...] be threatened.

However, a fresh attemp[...] the Board later in the yea[...] negotiate a genuine ince[...] scheme cannot be ruled [...] although it would be hamp[...] by the Government's [...] inflation White Paper w[...] rules out pay rises through [...] productivity schemes.

The coal industry's indus[...] relations in the coming [...] will undoubtedly prove to b[...] tortuous and difficult as in [...] past. At the moment the [...] would seem to be shaded [...] favour of a generally pea[...] year. But should the suc[...] of the Government's anti-i[...]tion policy be in any kind [...] doubt by the time the mi[...] start negotiating early [...] year, then we can expec[...] determined effort from [...] Left-wingers to conv[...] miners that this time [...] should write "RIP" ove[...] Labour Government's inco[...] policy.

John Wy[...]

Major producers' plans

ALL THE coal producing countries carried out radical reappraisals of the future following the oil crisis two years ago: it was not just the U.K. industry which received a tremendous shot in the arm. The most dramatic change of plans have come from the U.S. and the USSR, already the largest producers of coal in the world. Both aim to double their already tremendous output within a reasonably short time.

There is not too much information about the Soviet plans for coal production until 1985. But the feeling is that the Russian industry is hoping to reach a production target of 1bn. tonnes to 1.2bn. tonnes by the year 2000. This would more than double last year's output of 524m. tonnes.

If anything, the plans of the U.S. industry, outlined in the so-called "Project Independence" (a reference to America's search for self-sufficiency on the energy front) are even more ambitious. Some say they are over-ambitious. The target set for U.S. coal production in 1985 is around 1bn. to 1.2bn. tonnes against just under 600m. tonnes in 1974. This target might be taking too little account of the physical problems involved in doubling output in just ten years and of the well-organised and extremely vocal environmental lobby in the States.

In comparison, the targets within the European Community are extremely modest. When the Commission of the European Communities produced a "strategy" following the oil crisis it mentioned that one major factor in the plan to cut down Europe's dependence on imported oil would be the part coal has to play as an important source of energy—particularly for the electricity and steel industries.

The European hope is for a small rise in demand for "hard" coal to around 300m. tonnes in 1985 of which 250m. tonnes would be from EEC countries. Although modest, this plan is in healthy contrast to the 1960s when coal production in the EEC declined steadily. Output totalled 235m. tonnes in 1974 against 417.5m. tonnes in 1960, a slump of 44.2 per cent.

The Council of Ministers has formally adopted these objectives for coal. What they seem to imply is that the production increases in the U.K. and West Germany will offset reductions in output expected in Belgium and France.

Canada

Elsewhere in the world the coal industry plans can be summarised this way. In Canada the hope is that by 1980 that country will be self-sufficient in energy. Within that overall objective the expectation is that coal output could double from 17.5m. to 35m. tonnes over the next ten to 15 years. The major expansion would be in the Western Canadian coal fields and there would also be a partial recovery in the eastern coalfields. However, the major problem for the Canadians would seem to be finding enough labour to achieve the objectives they have set themselves.

Australia, already a big exporter of coal to Japan and Western Europe, expects increased demand from both these sources as well as from the home market. All this is bound to lead to a considerable—but so far unquantified—jump in production from last year's 59.5m. tonnes.

In Poland, which already leans heavily on its indigenous coal supplies for its energy requirements, the projection is for output for 1980 to reach 200m. tons, a long way ahead of last year's 162m. tonnes, and by 1985 the expectation is that production will be at 215m. tons.

This leaves China as the remaining major coal producing country on the list. It is estimated that China has 101bn. tonnes of recoverable coal available but not much is known about that country's plans or its intentions towards the rest of the world.

The coal-producing nations have fixed their targets in spite of the extreme difficulty involved in forecasting future coal consumption and trade throughout the world.

This year, though, the OECD completed such an exercise which it called a "Reassessment of the Role of Coal." This put the expected increase in world consumption of coal up from 2.235bn. tonnes in 1973 to between 2.5bn. and 3bn. tonnes in 1985, an increase of 12 per cent. to 34 per cent. The OECD also estimated that total world trade in coal would grow from 100m. tonnes in 1973 to between 200m. and 250m. tonnes in 1985, up 100 per cent. to 150 per cent.

These increases would come partly from an increase in demand for steam coal and partly to meet the growing demand for coking coal. The OECD pointed out that the availability of these coals would crucially depend on the necessary capital being available for development and the extent to which domestic energy programmes would produce coal surpluses for export.

There was no doubt in the minds of those who produced the report that the coal is there. A recent survey of the world's

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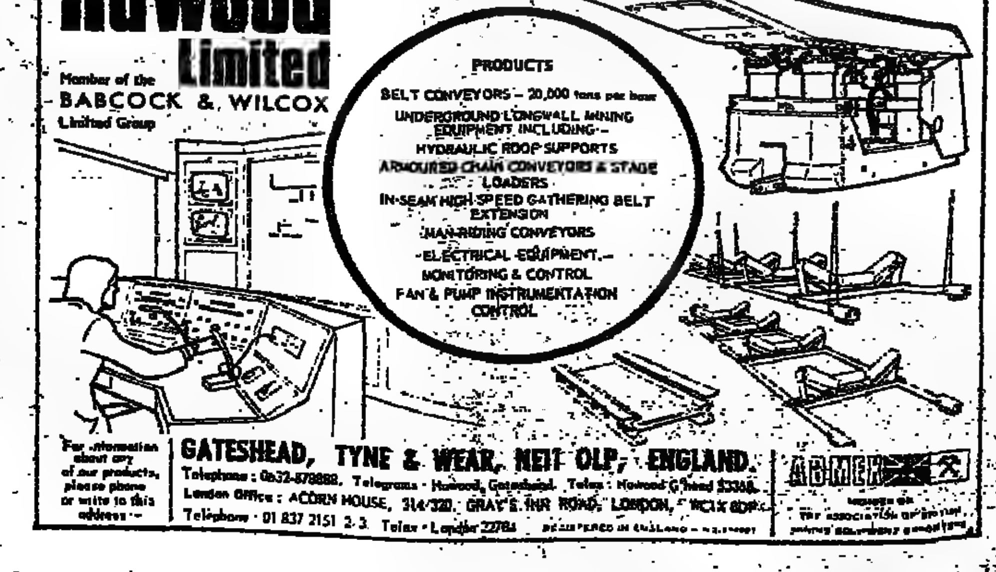


Leading role in world research

NDUSTRIAL research achieve- lents which went unused hould be judged to have ailed, and research manage- nent should bear the respon- ibility, a National Coal Board esearch director told mining ngineers at a meeting earlier his year. It was research man- gement's responsibility either ecause it had failed adequately o commit its line management o the new technology, or be- ause it had failed to pass on ts knowledge and expertise to hose who could apply the de- relopment, argued Mr. Peter Tregelles, a mining engineer umself, and director of the NCB's Mining Research and Development Establishment at Bretby since 1973.

The organisation of his re- search centre, previously lesigned to produce prototypes of new mining technology, had recently been revamped, idmitted Mr. Tregelles, to create a division "concerned nainly with the proving of pre- production models in an ade- quate variety of conditions to prepare them for exploitation."

Coal research in Britain has certainly not been lacking in bright ideas. Unfortunately, all too often those ideas have failed to contribute appreciably to NCB productivity or profits, or to open major new markets to replace those lost since World War Two, such as gas, railways and domestic fires. Significant advances in coalmining tech- nology that have failed to gain acceptance in the industry include ELSIE (electronic signalling and indicating equip- ment), ROLF (remotely- operated longwall face) and the Bevercotes experimental pit in which it had been intended that *all* operations should be remotely or automatically con- trolled. They failed, Mr. Tregelles believes, mainly because the information they yielded was not digested, or because the system was too unreliable or the experiment too complicated.

But he is confident that in the three failed systems lies the seeds of the major development his research centre is seeking, to succeed the three big success- ful advances in post-war mining technology, namely the armoured flexible conveyor, the Anderton shearer loader, and powered supports. The big quest now is pit automation— applied to every phase of mining.

The NCB separates its coal research and development pro- gramme into two distinct objec- tives, each reporting to a different director. Mining re- search and technology, directed by Peter Tregelles, reports to Mr. Norman Siddall, NCB deputy chairman; while coal conversion research and deve- lopment under Dr. Joe Gibson at the Coal Research Establish- ment near Cheltenham reports to Mr. Leslie Grainger, NCB Member for Research. (A third important facet of coalmining research, pit safety, is also monitored independently by the Health and Safety Commission.) Between them they expected to cost the NCB about £11m. in the current year, nearly £8m. of which will be spent at MRDE, whose budget has been doubled this year, emphasising the im- portance the NCB attaches to its objective.

Pit trials

Much of MRDE's extra cash is being spent in implementing a scheme drawn up by Tre- gelles in which, once he is con- vinced a mining development looks good in prototype, up to a dozen sets of equipment are tried out simultaneously in pits up and down the country, to gauge the response to widely varying managerial, geological, labour and other conditions. To secure the authority he needs *to ensure that pit managers* give the new technology a fair trial without delay, he had adopted a ploy used in the German coal industry for some 70 years, in which committees —called "major development committees"—composed chiefly of senior mining officials right up to the level of area directors assess each innovation. It will be their responsibility to find the pits in which the technology will be tested, and to publicise the benefits of a successful debut.

For the industry as a whole, the Selby project in the 1980s affords a possibility of being not just the largest deep coal mine in the world but the most spectacular demonstration of advanced coal-winning tech- nology, with automatically steered coal-cutting machines, data transmission underground radio, even radar techniques to minimise the wastage of coal in the roof and the risk of cleaving into unsuspected faults.

For the foreseeable future, the two markets that coal must concentrate on serving effi- ciently are electricity and steel. Even those two have professed faith in a nuclear future, how- ever, underscoring the need of the NCB for a long-range re- search programme to find fresh markets. Such a programme, at the Coal Research Centre, has been successful up to pilot- plant scale in developing novel coal conversion techniques of worldwide interest, that may enable rich liquid and gaseous fuels and feedstocks to be ex- tracted economically from coal.

At the same time major privately-owned "energy" com- panies (such as British Petro- leum and Exxon) have substan- tial research programmes in coal conversion. In the Coal Science Lecture in London next month the South African group SASOL, which has probably advanced coal liquefaction tech- nology further than anyone else in the world, will outline its progress and plans for new pro- duction plant.

The ultimate objective of all this research was succinctly sketched by Lord Robens in a Coal Science Lecture shortly after he retired from the chair- manship of the NCB. He spoke of the "coalplex," an integrated power and chemical complex fed only with coal. His concept was that the coalplex would evolve from a number of differ- ent processes, some of which were under development by the NCB, among them novel ways of "opening out" coal sub- stance with cheap solvents, lib- erating its most valuable con- stituents without choking the system with voluminious and obnoxious residues.

The tripartite coal industry plan accepted last autumn by Government, industry and mine- workers included a proposal for a national programme in coal conversion, spread over five years, during which some of the key technologies required for a coalplex would be taken to demonstration plant scale. Tech- nologies believed to be ripe for such a scale-up included the fluidised-bed combustion of coal, coal liquefaction with the help of solvents, and pyrolysis. But it was agreed that the pro- gramme must be a national one, for other major interests than coal would be deeply involved, including the gas industry (for which novel methods of coal gasification could safeguard the future of the natural gas grid once North Sea reserves began to run low) and also the chemi- cal and process plant industries.

But despite the optimism of Leslie Grainger and his NCB colleagues, Treasury approval was never forthcoming. At a time of growing criticism of the scale of public spending, the case for a new programme that could make no serious contribu- tion to the nation—except pos- sibly in the case of fluidised- bed combustion—for at least a decade and perhaps two or more was never accepted. The strong- est argument mounted was the psychological one, that such a programme would reassure the miners that the nation genuinely believed that coal had a long- term future even when nuclear energy had taken over much of electricity generation.

Then in January, at a meeting of energy research chiefs to discuss a research base for the 16-nation International Energy Agency, it was agreed that Britain should take the lead in developing a multi-national research programme in coal technology. The NCB was given responsibility for drafting a research programme and Leslie Grainger appointed project leader. The first fruits of the planning that has gone on all summer were announced in July, when a tripartite plan was agreed between the three nations with the biggest vested interest in coal—the U.S., West Germany and the U.K.—to fund jointly a £10m. experiment in fluidised-bed combustion.

The scheme is to construct a big pressurised rig at Grime- thorpe Colliery in Yorkshire, where the NCB once had plans to build a 20 MW prototype power plant using fluidised-bed combustion. The experimental rig will involve a furnace of the same size as the original project, about 6 feet square in area, at a cost of about £6m. If all goes well, the three partners hope to launch their project this autumn and start placing con- tracts next spring.

In addition, the International Energy Agency's coal research representatives have agreed in principle to finance a number of paper studies, to be made in the U.K. under the supervision of the NCB. They include such subjects as the techno-economic assessment of a coalplex and a worldwide coal resources assess- ment. Participating nations have said they will find $2m. a year for such studies.

David Fishlock
Science Editor

Impressive equipment exports

INCREASED oil prices and the political uncertainty surround- ing imported fuel supplies have led to a sharp upturn in the fortunes of Britain's mining equipment manufacturers.

The U.K.'s technical expertise in the field of mining equip- ment is based on coal's long tradition as a key resource here since the Industrial Revolution. Britain is now a world leader in many areas of mining equipment technology, in par- ticular that of hydraulically powered roof supports. But all the developments which have been instigated by the desire to do away with the miner's pick and shovel and provide safer working conditions have given reason for those with in- digenous coal resources through- out the world to beat a path to the doors of British manu- facturers.

British companies' leading role as technical authorities on longwall systems—which are be- ing widely recognised as the most efficient available—is proving to be a big foreign currency earner at a time when the importance of export per- formance has never been more important to the country's economic survival, let alone growth. The collaboration be- tween the individual mining equipment companies and the National Coal Board has been of key importance in the de- velopment of this export potential.

This close co-operation between the NCB and a number of leading U.K. manufacturers in the development of an overall system approach to mining — consisting of the marriage of the armoured face conveyor, the power loader and the powered support—has led to a premier position in the main task of coal-getting. However, these developments have also "thrown off" technical advances in peripheral fields, such as face communications and lighting, dust suppression and cable handling, which are also sought after by overseas customers in the interests of safety and efficiency.

Enormous

In the wake of this techno- logical expertise and the revival of interest in coal mining, British exports of mining equip- ment—already on a long-term upward trend—have shown a rapid advance over the last couple of years. The value of ex- ports rose from £11m. in 1968 to more than £25m. in 1973, but 1974 showed an enormous jump of £19m. to £44m. and another *impressive increase is forecast* for the current year.

Overseas prospects remain exciting for many years to come. Coal production in the U.S. is planned to double between 1973 and 1983, to more than 1bn. tonnes. Meanwhile capital in- vestment for next year is fore- cast to increase by no less than $2bn.

In the USSR, an increase in hard coal production from the current 650m. tonnes to around 850m. tonnes is planned over the next five years or so with an increase to more than 1bn. tonnes by the year 2000. In China, where production has expanded very rapidly over the past 20 years or so to a current level of around 400m. tonnes, although there are no avail- able official long-term projec- tions, many large orders have been placed with U.K. com- panies and rapid expansion seems likely. Meanwhile other countries, like Poland, Australia, Canada, South Africa and India also present expansion possibil- ties which promise rich pickings for British companies.

In 1967 British manufac- turers of mining equipment formed ABMEX, the Associa- tion of British Mining Equip- ment Exporters, which has developed into a focal point for international inquiries about U.K. equipment. To-day the association has more than 50 members exporting to almost 95 countries. ABMEX has been instrumental — in conjunction with the British Overseas Trade Board—in many overseas pro- motional activities, including organising the British "pre- sence" at trade fairs and mining equipment exhibitions, and has also got together a number of trade missions.

The names which readily spring to mind when talking of U.K. mining equipment are Dobson Park, Anderson Strath- clyde (formerly Anderson Mavor), Dowty, and Mining Supplies. Examination of their individual experiences bears out the overall picture of a booming export potential for U.K. mining equipment. Their financial results on the mining side also compare highly favourably with other engineer- ing concerns amid the proble- matic events of the last couple of years.

After a somewhat sluggish financial performance in 1973-74, which was mainly due to factors outside its control such as the three-day week and supply shortages, Dobson Park has shown a very impressive per- formance in the first half of the current year, increasing its pre- tax profits by 50 per cent. to £3.8m. A hefty part of this increase came from its mining equipment activities. Here a 38 per cent. increase in sales to £17.5m. combined with main- tained margins produced trad- ing profits up from £1.1m. to £1.5m.

Sales to China

Via Gullick Dobson and its subsidiaries, Dobson Park now exports more than 40 per cent. of its mining equipment and in its last full financial year sent more than £5m. worth of equip- ment to the People's Republic of China alone. Orders were completed last year not only for China but for the U.S. and Mexico and in the current finan- cial year there are sizeable orders once again from the U.S. and Mexico and also from Nor- way and Australia.

Anderson Strathclyde is another company with an im- pressive track record on the export front. Since 1972 it has received contracts for £5.6m. from Poland, where its Double Ended Ranging Drum Shearers have been in great demand. Contracts for similar equipment worth £3.4m. have been won from China, while other big orders include one worth £3.4m. from India for the provision of coal cutters. All this on top of a healthy baseload of exports to Spain, Japan and France has meant that exports now account for a quarter of turnover, against just 10 per cent. in 1971/72. Meanwhile, overall sales have increased from £19.2m. to £31.1m. over the last three years.

The picture at Dowty is some- what clouded by the spread of its other interests but demand for the company's coal mining roof supports is reported to be increasing powerfully. The NCB remains Dowty's main customer, but it has also won multi-million pound contracts from the U.S., Belgium, Poland and other countries.

On a smaller scale, Mining Supplies again shows the strength of the sector, with a 59 per cent. increase in pre- tax profits on turnover up from £6.3m. to £8.7m. in its last financial year.

For the longer term future, the continued political un- certainties attached to overseas oil supplies plus the growing disillusionment with the North Sea means that coal is likely to retain its attractiveness not only on price but also on strategic grounds. Thus dom- estic demand will continue to supply the base load of demand for a continuing strong performance on the export front by U.K. manufacturers of mining equipment.

Peter Foster

THE COAL INDUSTRY IV

Selby opens new horizons

WITHIN THE NEXT few weeks the Government will decide whether the National Coal Board should be allowed *to go ahead with the biggest*, costliest and most exciting new development in U.K. coalmining history—the Selby coalfield *project in Yorkshire.*

If all goes well, and the Board is hopeful that approval will be granted, work could *start on this scheme* within a matter of weeks. It will cost around £200m. on current estimates, and should eventu*ally lead to the recovery of* 300m. tons of coal or more.

The 10-week public inquiry carried out into the scheme and the work associated with it, has probably set the project back by about a year. Nevertheless, an inquiry always looked inevitable and in some ways it has helped the NCB to clear the air over the environmental worries surrounding a development on this scale.

If the NCB is allowed to go *ahead it should be producing* its first coal from Selby, at the rate of some 250,000 tons a year, by 1979-80. This would then *be built up so that production* rates should reach the target level of 10m. tons a year by the end of the 1980s.

Planned

In all, almost a quarter of *the 42m. tons a year of new* coal-mining capacity which the Board's ambitious Plan for Coal proposes to achieve by the mid-*1980s is planned to come from* the Selby Project.

Reserves of coal in the so-called Barnsley seam alone are known to be sufficient to make a yearly output of 10m. tons feasible into the next century. And it should be remembered that such a production rate would normally require at least five large modern collieries, with individual road and rail links and coal handling installations.

One of the significant features *of Selby is that the geological* configuration of the coalfield is such that the coal can be brought out by a pair of drifts (that is *sloping* tunnels from the surface) from one point in the south-west of the area rather than by vertical shafts.

Advances made in recent years in the construction and operation of conveyors would permit the total output of the coalfield, which covers an area of some 100m. square miles between Selby and York, to be brought to the surface by this means. *This would obviously* reduce the impact of the project on the essentially rural environment of the area considerably.

Probably five shafts will have to be sunk, but it is intended that they should be used only for ventilation, materials handling, and manriding purposes and the sites would be landscaped.

No coal would be brought to the surface at these sites once the complex was in co-ordinated *operation.* All the coal would travel by a network of underground spine roads to a single outlet point, probably at Gascoigne Wood, a disused railway marshalling yard.

The sloping tunnels would be equipped with massive conveyor belts to bring the coal to the surface—some 50,000 tons a day at peak operation. And all the handling, loading and traffic arrangements for coal would be concentrated at this one point.

The entire output of the Selby field is destined for use in electricity generation and will be transported to the Central Electricity Generating Board's power stations on the eastern fringe of the Yorkshire coalfield.

According to the Board this sort of concentration will enable *maximum* use to be made of automation and remote control techniques, including the use of computers programmed to react to changes in coal flow and conditions and to take minute-by minute decisions.

By adopting these methods it is estimated that the Selby coalfield will operate with about 4,000 men. This compares with about 20,000 in one of the NCB's areas currently producing a similar output.

The thickness and quality of *the coal so far proved* will enable a system of working to be adopted which will minimise the production of spoil and make it possible *for* the Board to give assurances that spoil heaps would not be created at any of the six mining sites.

It was obvious from the outset that the Board would have to pay particular attention to ensuring that the development of the Selby *coalfield* should not increase the risk of flooding in the flat low-lying countryside in which the scheme would take place.

Close liaison was therefore established with the Yorkshire Water Authority at an early *stage, well before the application* was made, so that the necessary precautions might be agreed with the Authority. *Similarly*, every opportunity was taken to establish a relationship with other local and statutory authorities, as well as with the organisations concerned with the protection of local interests and the environment.

And during the inquiry, which ended three months ago, it was evident that as soon as a contentious point loomed the lawyers and experts moved away to thrash out a solution. As a result, agreements were reached with 43 *out of the* 44 authorities responsible for the area.

Because this spirit of conciliation has been so evident, it is thought that the Secretary for the Environment will find it that much easier to accept the Selby scheme and decide on the ground rules for the mine's development.

Selby is not the only area in which the NCB has hopes of important developments as part of its Plan for Coal, of course, although it is clearly the biggest.

The Board has authorised feasibility studies on two other new deep mines—one near Stafford and the other south of the Trent and the present Nottinghamshire coalfield. These mining projects, if they are brought to fruition, would contribute about 14m. tons a year of new capacity.

Equally, the NCB is anxious to press ahead with the expansion of coal production from opencast sites, although it had problems in this field during 1974-75.

Delays

The Board's production of opencast coal, at 9.1m. tons, was 0.2m. tons higher than in the previous year, but this was not *as good* as expected because of delays in getting applications authorised by Government and the effect of abnormally heavy winter rainfalls on production at existing sites.

Production of opencast coal by private operators working under licence from the Board amounted to about 0.4m. tons during the last financial year, slightly less than in 1973-74. The Board has made it clear that it wants to increase opencast production to at least 15m. *tons a year as soon* as possible and there are obvious reasons for this.

Because of the method of production, *the average quality of* opencast coal is higher than that produced from deep mines and it can therefore be used to enhance the quality received by the consumer and improve the marketability of the Board's overall output. Compared with deep mines, opencast production costs are low and this improves the overall financial perform*ance of the NCB* substantially.

In the end, of course, that is a justification not only for opencast mining but for Selby and the potential developments near Stafford and south of the Trent.

Harold Bolter

Accent on marketing

THERE IS nothing quite like a round or two of massive price increases to sharpen the mark*eting effort behind any product*, and coal is certainly no exception. The crisis through which the energy market has been *stumbling has demanded some* quick answers to some very important questions, and the Coal Board and its associates have had to take a hard look at the likely effects which recent events will have on their longer-term future.

The latest estimates suggest that the potential total market for coal, providing it remains competitive, should be around 150m. tons a year by the mid-1980s, compared with last year's total saleable output of 125m. *tons. Within that figure*, the main market for coal is electricity generation, which last year took a little under 60 per cent. of all sales. Coke ovens last year consumed another 20m. tons, domestic customers some 14m. tons and the remainder of industrial customers about 11m. tons. Exports stood at about 2m. tons.

The task now facing the coal industry is to hang on to its traditional share of the overall energy market and, if possible, increase it, at a time when conservation is the keynote and pressure is being brought on commercial and domestic consumers to use less for the sake of the economy.

In some areas, the mainten*ance of existing customers* may prove relatively easy and substantial scope for further expansion exists. In others, the task will clearly not be such an easy one.

The outlook for the Board in respect of its single biggest customer, the Central Electricity Generating Board, is certainly far from clear. The position *with which the NCB has to cope* was stated strongly and clearly by CEGB chaidman Mr. Arthur Hawkins only recently. He said that, while the average price of indigenous coal was still cheaper than residual fuel oil for electricity generation, the price gap between the two had been closing fast. Everyone is agreed that coal has very little room left for manoeuvre and the CEGB has made it quite clear that, for them, it is a matter of economics and not old loyalties. If a big *switch to oil could result in the* generation of cheaper electricity, then the switch, said Mr. Hawkins, would be made.

Advantage

According to the NCB, coal now has something like a 10 per cent. average cost advantage over oil which is roughly equivalent to £2 or £3 a ton, after allowing for the different efficiencies with which the two fuels are used. At the beginning of last year, the price advantage was three to four times better.

No-one, quite understandably, is more aware of the potential problems that NCB chairman Sir Derek Ezra, who has spelled out the industry's urgent task to bring further increases in productivity, as cost control was vital if the competitive edge was to be maintained. A major drive to contain unit costs is underway.

However, increases in productivity will only result in *much larger stocks at the collieries* unless the NCB can find outlets for its coal, principally the electricity generating authorities. The Board is currently making strenuous efforts to persuade the CEGB to carry large stocks for the coming winter, despite the continuing slump in the demand for electricity. The NCB wants the CEGB to sign a deferred payment plan on the lines of that already in force with the British Steel Corporation.

BSC has agreed on a base stocking level of 1m. tons, and once this level has been achieved the Coal Board will build up reserves which will be paid for when used and not before. The path to an agreement with the CEGB has not, however, been a smooth one, and the *point at which the NCB will be*gin financing power station stocks has yet to be resolved. *Mr.* Hawkins has forcefully pointed out that *the financing of stocks* is an extremely expensive business and could make all the difference between a profit and loss for the generating industry.

As far as the markets elsewhere in the industry are concerned, coal has been losing ground steadily over a number of years, but with the quintup*ling of oil prices*, there are now some very real opportunities to regain lost ground.

The vitally important domestic sector also holds out a major challenge, and both producers and distributors are now working together to retain and boost existing market shares, largely through the work of the two-year-old Solid Fuel Advisory Service. The NCB and the men who market its coal and coal-based products are convinced that coal now has its best opportunity for many years to play a growing role in the domestic fuel sector.

The SFAS pulls no punches in getting the message of solid fuel across to the public, and everyone concerned is so far very happy with the job it has been doing. Its message is basically simple, solid fuel for home heating gives value for money and in using it the customer is employing one of the country's natural resources and helping *with the nation's* economic problems. Solid fuel systems, it adds, are thoroughly proved, safe and reliable and do not throw up *day-to-day* maintenance problems inherent in other fuel systems.

Research and development aimed at making solid fuel systems as attractive and economical as possible has been progressing well, and the potential customer for coal can expect to be showered with literature and advice, especially as winter *approaches and people's* thoughts turn towards keeping warm. This week, the SFAS begins its "Open up your Fireplace" campaign, which has been largely triggered off by the results of a survey which showed that as many as 4.5m. homes throughout the country incorporated flues which had now been blocked up.

To get just a proportion of these opened up again and recapture some of the business lost to alternative fuels would clearly have a substantial effect on solid fuel sales The public is being reminded that central heating systems can now be run off a solid fuel fire which will happily burn normal bituminous house coals. New this autumn will be a range of "Smoke Eater" open fires in addition to the room heaters already available. A new selection of room heaters has also been designed and will be available soon.

Earlier this year, the SFAS introduced its fire-plus scheme, which provides a solid fuel heating and insulation package. The service is also considerably encouraged by the growth in demand for solid fuel cookers. Last year, sales grew by up to 40 per cent., and although they *still* represent a very *small* part of the overall cooker market, further growth is hoped for.

Michael Cassell

Producers

CONTINUED FROM PAGE 8

energy resources, at the 1974 World Energy Conference, showed that economically recoverable coal reserves alone are more than three times the combined proved oil and gas reserves.

In *this context the description* "economically recoverable" is important for, of the total identified coal resources only *about 6.4 per cent.* are currently described as "economically recoverable."

Luckiest

The USSR is by far the luckiest country as far as total fossil fuel reserves are concerned. It has the greatest reserves of coal and the second largest (after the Middle East) reserves of oil and gas. The USSR's economically recoverable coal reserves were at the World Energy Conference estimated at 166bn. tonnes.

Against this the U.S. has 123bn. tonnes, Western Europe 39bn. tonnes, Australia 14bn. tonnes, the Middle East and Africa 13bn. tonnes which, with China's 101bn. tonnes and 22bn. tonnes in the rest of the world takes the total of economically recoverable coal reserves to 478bn. tonnes.

Over the next ten years the most important outlets for coal in the world will continue to be the production of iron and steel and in the generation of electricity.

About 90 per cent. of coking coal consumed in the world is for ultimate use in blast furnaces, the remainder being used for foundries and the domestic *market. So the major factor* determining world coking coal demand is world steel demand and the quantity of pig iron needed *for this steel output.* World coking coal consumption is forecast by the OECD to grow from 465m. tonnes in 1972 to *639m. tonnes in 1985—up 37 per* cent. in the 13 years. Of this increase the Comecon countries are expected to take 56m. *tonnes, the third world countries* 53m. tonnes and Japan 35m. leaving 40m. tonnes for the OECD countries apart from *Japan.*

Forecasters for the OECD area about the probable consumption of steam coal by the *electricity generating industries* show a rise from 468m. tonnes in 1972 to 875m. tonnes in 1985. Indications coming from individual *countries within the* OECD suggest that coal availability will not be sufficient to meet the potential demand. *This, in turn, implies that, in* spite of the best efforts of the coal industries, power stations' demand for oil will continue to increase.

Kenneth Gooding

The Marketing Scene

Allardyce gets PLN

BY ANTONY THORNCROFT

KIMPHER, the publicly quoted advertising and marketing group, is to merge another two of its agencies. Last spring it joined Bloxhams to Allardyce-Hampshire to form the £7m.-plus Allardyce operation. Now another small agency, PLN, which bills about £3m. is to be merged into Allardyce, making it a £10m. business.

The move is hardly surprising. Allardyce is the most profitable of the Kimpher agencies but has lacked strength in the packaged goods area. PLN was the least profitable, but worked for creative slanted accounts like Sunblest and Butlins. PLN had originally been formed by joining the talents of a Kimpher owned creative hot shop, Lippa Newton, to the more conventional Pembertons agency, but rather than galvanise Pembertons many of its more staid clients left, and the PLN venture never proved a great success.

There will be some shedding of staff—about twenty will go—making a combined total of 140 who will operate from the Allardyce premises in Carlisle Street, Soho. PLN's managing director Paul Forster will become a deputy managing director of the new agency along with Allardyce director Keith Woodyer. Donald Bailey, a member of the Kimpher Board, will continue as managing director of Allardyce. The major account of the new agency will be the Allardyce client, Brentford Nylons, which normally spends over £2m. a year on advertising.

The merger reduces the Kimpher agencies in London to three—Allardyce, KMP and LAP. There is also GGA in Manchester. No more rationalisation is expected. In 1974-75 Kimpher experienced a fall in profits from £405,000 in the previous year to £228,000 on a turnover of £25.8m. This year cost savings are enabling the group to hope for a better performance. One new factor is the emergence of the Osborne Group, another advertising agency, as a steady buyer of Kimpher shares. It now holds around 25 per cent.

Posters improve

NOP MARKET Research, which this year has completed four surveys for the Joint Committee on Poster Sales and After Sales Service, reports that in its final investigation in July 93 per cent. of the 32,000 posters investigated were in a good condition. This is a fairly sharp improvement over the 90 per cent. figure produced from the April survey. For in-charge campaigns the gain was 2 per cent., to 94 per cent.

NOP was asked to undertake the research after complaints that the poster media owners were slipping in their service to advertisers, and that there was a high percentage of defaced or ineffective poster sites. The July figures show that in the Southern region 97 per cent. of posters were satisfactory, while in Scotland the figure was only 89 per cent. Discussions are currently taking place between the poster industry and the IPA to decide the future research needs of this particular advertising medium.

CREATIVE CIRCLE ROLE REVERSAL

Week-end illusions

BY OUR MARKETING EDITOR

LAST WEEK-END in the suitably escapist surroundings of King's College Cambridge sixty marketing men (and women) from major packaged goods companies like Kellogg, Mars, Brooke Bond-Oxo, United Biscuits, Lever Brothers, Heinz, etc., were able to indulge in the ultimate fantasy and pretend to be creative advertising men.

At the same time the genuine article, agency heavies like Peter Bostock of J. Walter Thompson, David Abbott of FGA, and David Bernstein of the Creative Business, found themselves wielding the big stick in the form of hard-headed "clients."

It was, of course, the 5th annual Role Reversal seminar organised by the Creative Circle and designed to educate corporate marketing and advertising executives up to director level in the intricacies and problems that their agencies face. The delegates should return to their companies not only more knowledgeable about advertising but also conscious of the agencies' point of view, the agencies which spend around £400m. of their money each year.

At first glance it sounds like a rather lightweight excuse for spending almost £150, the fee for each delegate. In practice it is a very successful event, invariably over-subscribed by top flight companies, and turning out each year another clutch of thoughtful and impressed marketing executives.

There is inevitably the odd intrusion of reality—one "agency" group, trying to think of the ideal gift to present to its "tutor" after the course, decided that what he would like best of all was the opportunity for his agency to present to their companies, companies that spend around £15m. each year on advertising.

No group of agency men could completely escape the occasional thought that the delegates present influenced the selection of agencies for an enormous slice of advertising money, and this adds to their keenness to help out on the course. But there is no insensitive poaching for accounts at the seminar.

The procedures are simple. The marketing men are divided into 12 "agencies" who are asked to pitch for one of three accounts. They are given about two days to produce a name, a creative campaign, and TV commercials for the products, and the seminar ends with the awarding of accounts by the "clients."

For the past two years genuine products have been used suitably disguised. Previously the creative organisers invented brands, and sometimes, to their amazement, products dreamed up for the course actually started to appear in the shops—a slim line lager and a milk drink which emerged as Coffee Mate, to name two. Other fantasies, like the Piano Consortium, to promote the piano business, became reality, and the apparently far out exercise to market more bidets in the U.K. was also overtaken by events. Perhaps some participants, having spent many hours devising advertising for a non-existent product, put the effort to practical use.

This year genuine companies played along with real products, supplying research data to make the exercise more realistic. Birds Eye contributed a bread crumbed cod fillet with a sauce under the batter, which had been tested regionally with no great success; Unicliffe gave an after shave which, unknown to the "agencies" working on it, was actually Censored; and Ideal Toys gave one of its successful "make it yourself" toys.

The seminar works because it is both an intriguing game and very hard work. Some of the "agencies," obviously criticising the real thing, immediately invited their "clients" out to lunch, or sweetened the atmosphere at presentations by handing around cigars. But the "clients" were not prepared to make a joke of it, and more than once completely rejected the initial creative work of the "agencies," forcing the delegates to work through the night improving the ideas.

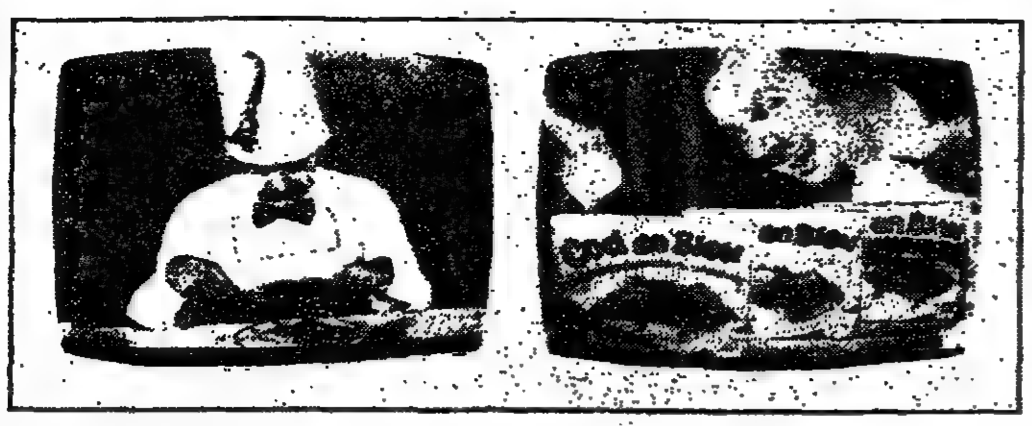
Some of the names devised for the products may be worth copying—the fish dish emerged as Cod Saucys; Cod Surprise; Saucy Cod Surprise; and Cod en Bleu. The after shave became Lord X; Satan; Genesis; and Kojak, changed, after "client" doubts, to Keep Cool Baby, while the toy was named Jolli Folky; Mastermaker; New Shrinkers; and Littlies.

Surveying the final campaigns the "agencies" working on the cod product had the most straight-forward task since this was a typical grocery packaged line. The delegates showed their inexperience in that two "agencies" adopted a personality, Tommy Cooper and Eddie Waring respectively, to launch the products, although one rather confused its "clients" by saying that they would be using a Tommy Cooper impersonator. As the real creative people pointed out using a personality to launch a new line was ducking the issue—thrusting a name rather than a good idea before the public.

Even so, the agency that produced the Eddie Waring campaign, with the apposite slogan "They're worth a try," gained the account, perhaps because they produced market research from the people of Cambridge showing that Eddie Waring had a warm, family image, and also that the chosen name, Cod en Bleu, was pronounceable.

In the after shave, Genesis, with "Only the Beginning" as the catch phrase, won, but there was rather an obsession with sex in the campaigns, and the different Keep Cool Baby approach was perhaps the most imaginative, the Kojak cheek slap getting across the idea of applying the after shave. The toys were a hard product to work on, and once again the idea of a presenter, such as Ken Dodd, seemed the easiest way out.

At the end of it all the marketing delegates and the agency tutors were falling over themselves to claim they had gained most from the experience. As Peter Bostock said: "I now realise that it is a mistake when making presentations to come up with too many different ideas." It also showed the marketing men the importance of devising a clear-cut brief, and then making sure that the agencies keep to it. All told, many illusions were shattered; much that was learned will be unlearned: but the experience, both in terms of contacts and appreciating the problems of the competing sides in the advertising equation, will never be quite forgotten.



Stills from the commercials for a new cod product devised by marketing men pretending to be an agency team. The commercials show an imitation Terry Cooper and an imitation Eddie Waring, and drew the criticism from creative professionals that using a personality is no substitute for a good idea.

IBA to tighten up

THE advertising industry's efforts to put its house in order and shield itself from criticisms over standards took another step forward this week when the Independent Broadcasting Authority announced a tightening up of certain sensitive areas in its Code of Practice.

Until now most of the new strict rules were being applied in the Press and in cinema advertising. Television was less affected because it always had the most effective control system in the industry. In fact the creative staff in agencies periodically complain vociferously about the censorship of their best ideas by the Independent Television Contractors' Association committee, which wades through 7,000 scripts of commercials a year and sends almost a quarter back to the agencies for amendment.

But the IBA is now moving in line with informed consumerist opinion and applying new controls on commercials aimed at children, drink and medicines, areas where there have always been fairly strict rules. The new moves will not immediately remove certain commercials from the screen—there is a period of grace—but agencies submitting scripts for future commercials where doctors plug a particular drug, or children are appealed to through their favourite cartoon characters or puppets will have them rejected.

Some of the restrictions now put in print have been unofficial policy by the ITCA committee for some time now. The young people used by Worthington E in its beer commercial have aged in recent months since the ITCA asked the agency to make them look 25 rather than 20. This is now written into the Code.

The ITCA had also let it be known unofficially that it is prepared to approve of "comparative advertising" as long as the campaigns do not "unfairly attack or discredit other products." This policy also becomes official, but will be reviewed after a year. In practice no comparative commercials have yet come forward, and the amount of proof required makes it unlikely that many advertisers will choose to meet the competition head on in a slanging match.

The relaxation about comparative advertising suggests that the IBA is not becoming over-sensitive. Indeed in one area—financial—there is an actual loosening in its attitude: life assurance companies and certain credit facilites will be able to use television advertising for the first time from January 1.

As Peter Woodhouse, who heads copy control at the IBA, said this week: "we are basically a Forth Bridge operation, always using our own initiative in reviewing an ever changing Code of Practice." But Woodhouse admits that the ITCA is perhaps being slightly more astringent in its views; the number of completed commercials which have been rejected has risen from around 2 per cent. of the total to 4 per cent.

Under the new restrictions the agencies that will have to review policy will be those using personalities for selling toys and drug advertisers who promote their brands through shots of white coated doctors. But few agencies feel particularly aggrieved by the extra rules.

A.T.

GROCERY DISTRIBUTION

Ten years' progress

BY ANTONY THORNCROFT, MARKETING EDITOR

WITH turnover in many leading grocery markets—from biscuits to baked beans—actually declining, and with the probability that sales will fall even further as the irresistible rise in prices meets the implacable controls over incomes, distribution is going to become even more vital for manufacturers. The best way a company can maintain sales and profits is to have its brands prominently displayed in the retailers and, perhaps, preferably, promoted.

Stock levels became important last year after the three-day week, although, as A. C. Nielsen research showed, the immediate aftermath of the crisis was a rise in stock levels since retailers over-stocked in advance and consumers also stockpiled and then reduced demand. But if there was a rise in stocks in 45 of the 78 markets covered by Nielsen in the spring of 1974 by October there had been a rapid de-stocking.

Panic

Since then manufacturers and retailers have been more sensible about stocking, realising that it is unprofitable to build up costly stocks while trying to ensure that the shops never run out of particular brands. All in all the panic over certain products, like sugar and salt, and the scare stories about empty shelves has been shown by research to be something of an illusion. Stock levels now are higher than last year, and the trade has returned towards what passes for normal.

Just how normal can be guaged from some new findings from Nielsen, which has bowed to industry concern and actually investigated distribution, comparing the penetration of brand leaders with number two and three lines. The research parallels a similar study in 1964 and consequently provides a nice comparison with those golden days. In effect the findings indicate a remarkable stability.

The research covered 17 product groups, including baked beans, coffee, toothpaste, soup, soap, cat food, etc. The 17 leading brands held on average 31.4 per cent. of sterling sales in their markets; the number two brands 13.5 per cent.; and the third brands 9.3 per cent. This leaves 45.8 per cent. of the markets to own label and the minor lines.

When turning to the actual distribution of these brands at first glance there has been a fall since 1964. The number one brands are in only 76 per cent. of shops as against 84 per cent. 11 years ago. For number two brands the fall is even greater—from 66 per cent. of outlets to 53 per cent., while number three brands went down from 56 per cent. to 48. But these figures create a false impression. A decade ago there were over 1,500 trade buying points controlling or influencing over 80 per cent. of the sales of the major packaged grocery lines. To-day the figure is below 400.

So when the leading three brands are examined not according to the percentage of shops stocking them but to the proportion of grocery business these shops account for, a very different picture emerges. Manufacturers have increased the efficiency of their distribution, letting the cash and carry depots look after the smaller outlets while concentrating their effort on the major multiples. Thus in sterling terms the number one brands are only down 1 per cent. in distribution from 87 to 86 per cent., as are the number two lines from 74 per cent. of the cake to 73 per cent., while the number threes have fallen from 69 to 65 per cent. of distribution.

The main brands in these very important markets may not be on offer in so many stores but they are in the shops that matter. And Nielsen reports that several brands with sales running at between £3m. and £5m. every two months were constantly achieving almost 100 per cent. distribution.

There is some room for improvement. It is estimated that, taking the average 14 per cent. of customers who cannot find the number one brand along with the 31.4 per cent. who prefer that brand, you get 4.4 per cent. of shoppers who want the brand leader and leave the shop disappointed. Adding in the frustrated supporters of the second and third lines you reach a total of 10.9 per cent. of unsatisfied shoppers. Even so this is better than the 1964 figure of 14 per cent. frustration, although Nielsen accounts for this improvement by referring to the drop in brand loyalty rather than any improvement in out-of-stock.

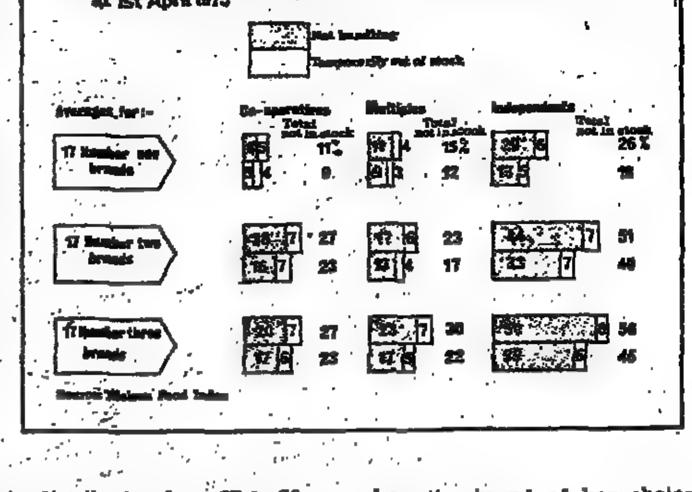
Further research spells out the chance of a housewife not finding her desired brand, either because of an out-of-stock situation or because the shop does not stock it, in three competitive types of outlet—a multiple, a co-op and an independent. This shows that not stocking is more of a problem out of stock, and that this is particularly so among the independents, over a quarter of whom could not provide the number one brands in the 17 markets with 20 per cent. just not stocking. For number two lines over half the independent grocers were not carrying the brand, and 44 per cent. did not stock it.

Nielsen also looked into the question of what a housewife did when the brand of her choice was not available. This data was released at an Institute of Grocery Distribution seminar in June and reported on this page. In brief about one housewife in nine is unable to complete her shopping list of groceries in a single sector. When this happens 65 per cent. of them do not buy an alternative in that store. But if the retailers sales are at risk in almost two thirds of the cases, for the manufacturer the possible loss of trade is much greater. Only 5 per cent. buy his brand in a different size—85 per cent. go away and re-think the purchase.

There is obviously a great deal of lost business in those cases when a customer cannot get the brand and pack size she wants. On the other hand manufacturers seem to have markedly increased the efficiency of their distribution: they are selling through fewer outlets but achieving around the same proportion of sales. This suggests that the criticisms about stock levels, and the efficiency of selling at a time when sales forces have been drastically cut back, are ill-founded. The major brands, at least, are as freely available as ever before—except in the small independent grocers.

GROCERS OUT-OF-STOCK v. NOT HANDLING

at 1st April 1975



A Habitat 'U' turn

THIS WEEK Habitat sets out on a new marketing tack. Terence Conran's chain of furniture shops is now 24 strong, with five outlets in France and a Brussels store opening this month, but it has never shaken off the image of being a fine place for buying fun items rather than a "serious furniture store." As a result it sells "many thousands of tea cups to every sofa."

Research also discovered that young sophisticates furnished their first home with Habitat goods but went to more conventional shops for their next generation of furnishings. Now Habitat is attempting to broaden its appeal to an older and a wider market. This is reflected in the type of goods illustrated in the new 1976 catalogue and promoted under the "pretty and comfortable" banner. There is an absence of trendiness and a great deal of solidity in the merchandise. There is also a new advertising approach.

The budget has been increased to £150,000 to be spent before the end of the year, and £50,000 is devoted to Habitat's first television campaign concentrated in four weekly bursts in London, ATV and Granada. This takes in the lower income groups who have not received much attention from Habitat before but who might find the new range more to their taste. This widening of the marketing strategy is underlined in the Press advertising which includes such magazines as the TV Times.

A.T.

Agencies eye Middle East

WITH the advertising industry in the developed world on a plateau, if nothing worse, this year the eyes of the international agencies have been roaming elsewhere and in particular towards the Middle East, the recipient of unimaginable oil wealth. Where there are rising sales of consumer goods there should be rising advertising expenditures.

Lintas Overseas has now established links, including option to take a financial interest, in the leading Middle Eastern agency group, Intermarkets, which from its Beirut base has agencies in Bahrein, Kuwait and (dormant) Cairo. An office is about to open at Jeddah in Saudi Arabia, and Dubai is being investigated. So Lintas reckons it can offer clients access to the fastest growing economies in the world.

This is already proving more than window dressing. The agency has just won the Polaroid account for the Middle East and Africa, which carries a billing of over £1m., and another new client for the Arab countries and Nigeria is ICI Fibres. There are great problems in advertising in this region but the potential is enormous.

One of the problems is, of course, the dearth of media. Saudi Arabia, which bans television and films, is a particularly hard nut to crack and Lintas is planning to create its own media—a magazine to be given away in the shops and sponsored by Unilever, with appropriate plugs for Unilever products.

The lack of media also extends to probably the country of greatest potential, Iran. There are agencies in Tehran (McCanns has just formed a link there) but total billings for Iran are probably around 10m. dollars. Lintas has signed a deal with the second largest Iranian agency, Lord Advertising (billing around 1m. dollars), in particular to help client Rowntree-Mackintosh which manufactures under licence in Iran. One advantage of the two agreements is that they can exploit the potential for business between Iran and other Middle Eastern markets.

A.T.

Agency News

● BRUCE RHODES has been appointed chairman of Benton & Bowles, a move which is described as a "formal management" step. Mr. Rhodes has been with the agency for 20 years.

● ASPRO ADVERTISING will in future be handled by Hobson Bates. The account had been with NCK.

● A NEW monthly survey of all current sales promotions has been launched by the Epsom based promotional consultants, Marden-Kane. The plan behind the publication is to help marketing men assess what is happening throughout the U.K. on the promotional scene, identify trends and examine the various creative techniques used by different manufacturers.

The survey is called "Promotions Illustrated," and carries photographs of the promotional packs and leaflets, etc. so that readers can actually see what their competitors are doing. Most marketing men only see promotions when out shopping with their families on Saturday mornings, according to Marden-Kane's publishing director Ken Spedding.

It has been compiled from market researchers' reports from each of the 12 television areas, which will continue to be forwarded on a weekly basis for future monthly issues.

● ACCORDING to BBC figures, the new Kojak series on BBC-1 attracted the highest audience of the month on any channel of 17 million. A close second was Miss United Kingdom at just under 17 million. Audience viewing ratios, again according to the BBC, were 58 to BBC and 42 to ITV.

● OCEAN TRANSPORT and Trading has appointed Interlink to handle its account. OTT is an international shipping, transport and distribution group which includes such names as Blue Funnel Line, Elder Dempster Lines and Wm. Cory and Son.

● AYER BARKER Hegemann is launching a range of hair appliances for the newly formed Clairol Beauty Appliances Division. The agency, which has handled all Clairol's retail and salon colourants since 1971, has been closely involved in the appliances product development over the last couple of years, and the campaign will spend some £50,000 in women's magazines during the pre-Christmas period.

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THURSDAY, SEPTEMBER 11, 1975

A process of education

YESTERDAY'S agreement in principle on the new arrangements for worker participation in British Leyland marks a further step in the implementation of the Ryder Report. Progress towards industrial democracy, the report said, was "the most crucial factor in improving industrial relations and in creating the conditions in which productivity can be increased." Although some of the details have not been finalised, the new system will be broadly in line with the three-tier structure of management-union committees recommended by Ryder. The top level will be the joint management council for, say, BL Cars, and underneath there will be joint management committees for factories or groups of factories (for example Longbridge or Cowley); the bottom tier will consist of departmental joint management committees for each department or shop.

Legislation

Moves towards industrial democracy are being considered by other large companies and the British Leyland agreement is bound to accelerate this process. In the motor industry Chrysler has offered a package of proposals, including workers on the Board, profit sharing and a radical revision of collective bargaining arrangements. At Harland and Wolff in Belfast the unions have proposed a two-tier structure in which the top Board would have equal representatives from unions, management and the Government, while at the operating level joint union-management committees would be given considerable executive power. At an exploratory stage the management of GEC has invited its employees to put up suggestions of their own on how they could participate more fully in the company's affairs. At the same time the Government is setting up a committee of inquiry into industrial democracy, with a view to legislation in 1976-77.

All this activity reflects a trend, which is almost certainly inescapable (and which is by no means confined to the U.K.) towards a greater degree of power-sharing by management. The fact that a variety of different approaches are being adopted throughout industry is very much to be welcomed; any new arrangements for participation are more likely to succeed if they emerge from consultation and discussion at plant level than if they are imposed in the form of legislation from above. The Government's committee of inquiry has been steered in the direction of 50 per cent. worker representation on Boards, but it is not at all clear that such a requirement, presumably imposed on all companies above a certain size, would contribute significantly to industrial democracy.

What matters most is the plant. It is here that the individual worker is affected most directly by management decisions and his ability to make a constructive contribution is greatest. If, as the Ryder Report urged, means can be found "to take advantage of the ideas, enthusiasm and energy of BL's workers in planning the future of the business," it will be done primarily in the factory, not in the Boardroom.

Whether the progress towards industrial democracy will lead, in practice, to significant improvements in productivity is an open question. There is a danger that union representatives will use the new arrangements as a means of increasing the power which they already weild through collective bargaining procedures—in which their role in relation to management is essentially that of an adversary. It is certainly difficult to imagine that the new arrangements in British Leyland will do much, at least in the short term, to remove the inter-union rivalry which has been the underlying cause for many of the company's strikes.

Attitudes

All that one can reasonably hope is that the process of involvement, better understanding of management's problems and of the commercial realities of the business, fuller awareness of the connection between their own livelihood and the profitability of the enterprise, will gradually bring about a change in employee attitudes. For management it will be the start—or in some cases a continuation—of an education process which will be time-consuming, slow to produce results, but necessary.

Poor omen for the farm policy

THE BREAKDOWN of the European Community's efforts to find a solution for the Franco-Italian wine glut could give rise to a serious Community crisis in its own right. The French agriculture minister has already indicated his government's intention to take unilateral steps to curb the flow of Italian wine into France, though not, it appears, by means of an absolute ban like that imposed earlier this year; and the Italian agriculture minister has indicated that his government would take France before the European Court for any such move, and might in addition take retaliatory action. The breakdown is doubly disappointing, and perhaps dangerous, in that Tuesday's meeting was the first in a series which was due to culminate next month in a debate on the reform of the farm policy.

Bumper

The root of the problem is that Europe has had two bumper wine harvests in succession. Although the wine policy has an intervention system, it provides a much less solid floor price than that which is available, for example, to butter producers, and the Italian producers have been able to undercut their French competitors at least partly by virtue of the fall in the value of the lira. It is difficult not to sympathise with both governments. The flood of cheap Italian imports into France—over twice as high this year as last—has brought the Paris government under severe pressure from the wine growers in the Midi; but the Italian government insists that if the farm policy does not ensure as much freedom for Italian wine exports to France as it does for French beef and dairy exports to Italy, then it is not worth very much.

The one glimmer of hope is that there seems to have been some movement towards an agreement on ways of preventing the eruption of this kind of crisis in future—by averting the creation of surpluses. Some measure of consensus might have been in sight for limitations on plantings and for quality controls, such as minimum alchohol content, but much less on the idea of compulsory distillation of surplus production.

The difficulty with compulsory distillation is partly doctrinal, partly political. On the one hand, it is argued that any compulsory intervention would be constitutionally incompatible with the market ethos of the farm policy. On the other, if the compulsory distillation price were high, the greater the danger that it would encourage surplus production (as has been the case with butter), while if it were low, the greater the need for compulsion to prevent a recurrence of this year's crisis on the wine market.

Though the debate on these longer-term reforms was overshadowed on Tuesday by the pressure of the short-term crisis, it may well prove an important precedent for the general stocktaking of the farm policy due next month. For it is becoming steadily more obvious that a farm policy whose only mechanism is, in essence, a price support system cannot adequately reconcile the interests of producers, consumers and taxpayers. Wine producers could be protected (perhaps) by a butter-type intervention system, but only at a budgetary cost which would be unacceptable in Bonn and London. Other mechanisms must therefore be employed in the farm policy generally.

The keynote of the Commission's proposals, both on wine and in the broader farm policy context, is "co-responsibility": there must be a disincentive for over-production borne by the farmers themselves. If the Italians were to agree to compulsory distillation, they would certainly demand corresponding measures to deal with dairy product surpluses in the northern half of Europe.

Crucial issues behind the telecommunications cut-off

BY CHRISTOPHER LORENZ

YESTERDAY'S announcement that GEC plans to reduce the labour force of its Telecommunications company by almost 5,000—an 18 per cent. cut — over the next year is the first real break in a war of nerves between the Post Office and its suppliers which has been going on throughout the year. Two, if not all three, of the PO's other main suppliers — Plessey, Standard Telephones and Cables (STC) and Pye — are certain to follow soon with cutback notices, with the eventual figure possibly as high as 15,000 from just over 80,000 jobs in the telephone equipment manufacturing industry.

The extent of the cutback will depend very largely on the Government's attitude to the proposed cuts in the Post Office's equipment order programme. The PO is still having talks with its suppliers, and detailed proposals are not yet available, but GEC yesterday described the order cutback as "massive" and long-term rather than temporary, while Plessey expects it to be "not less than 25 per cent."

When the top managers from the four companies have high-level talks at the Department of Industry to-morrow, they will press it to intervene and moderate the cuts. The unions are also seeking a meeting with Mr. Eric Varley, the Industry Secretary, and warned yesterday that if he cannot satisfy them, they will take their case to the Prime Minister. But the companies hold little hope of a reprieve, and this was implied by Plessey's statement and GEC's forlorn-sounding welcome for "anything which the unions could do to help in improving PO ordering levels."

Harder to resolve

The dilemma now facing the Government is easily expressed, but could barely be harder to resolve. At a time of rapidly growing national unemployment which is already straining the revised social contract, and when the Labour Party Conference is imminent, should it intervene to bolster the Post Office's ordering programme, or should it accept that massive cuts in the telecommunications industry have been made inevitable by a combination of the national economic situation and the Government's own policy towards nationalised industries?

Put in a nutshell, there are the reasons for the changes which the P.O. has steadily made in its forward ordering estimates over the past year: after years of price restraint, which boosted telephone demand and therefore the P.O.'s equipment requirements, the Government last year initiated a return of the nationalised industries to "economic pricing." The Post Office and the energy industries in particular were told that the massive State subsidies of recent years would be gradually phased out, and that they would be expected to pay for themselves. To catch up with past restraint, and to keep abreast of the current rate of inflation, a series of painful price increases was clearly inevitable, as was the fact that they would depress demand.

As the months went by, the telecommunications suppliers have become increasingly depressed. Last year, with the PO's support, they succeeded in persuading the Government to moderate to 13 per cent. the original 20 per cent. cut in 1974-75 orders imposed by Lord Barber when he was Chancellor, but were left with a residual cut of about 7.5 per cent. on this year's programme. At that stage, they hoped to be able to contain the situation by curtailing recruitment and encouraging retirement — the so-called process of "natural wastage" which has, for example, reduced the labour force of GEC Telecommunications by 3,000 to just under 37,000 since the Barber cuts were announced in December 1973.

Worsening situation

By the end of the year, the manufacturers were facing a worsening situation, caused partly by the fact that the general economic situation was not developing as the Treasury, in particular, had expected. The level of telephone traffic was certain to be affected, but at that stage no-one knew how severely — the elasticity of telecommunications demand to telephone charges and economic activity is a controversial area of debate.

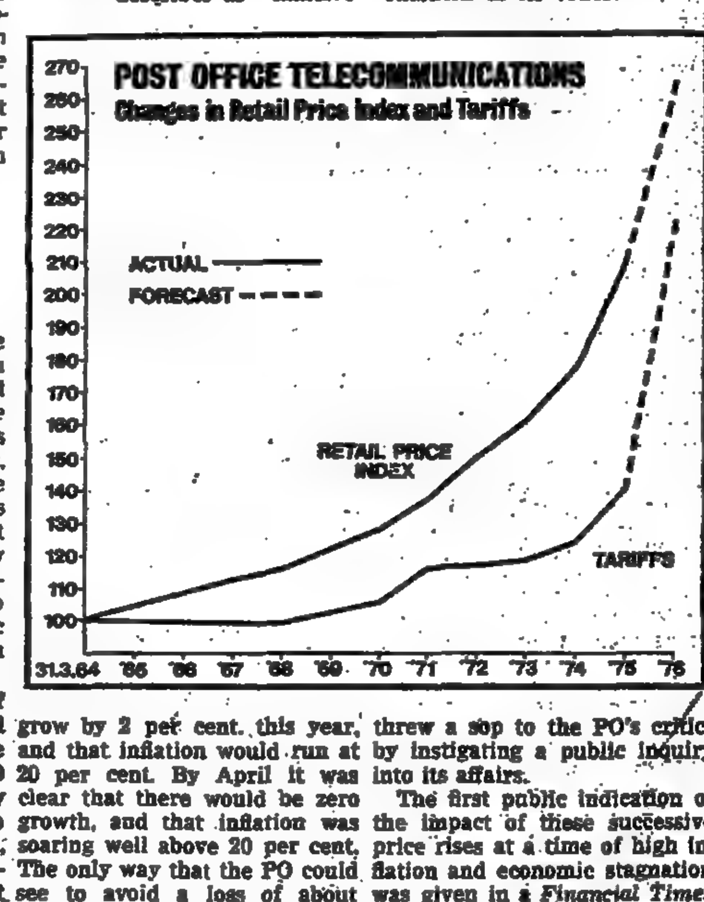
In January came news of plans to raise tariffs by record margins, increasing the average domestic subscriber's bill by 29 per cent. and business bills by 41 per cent. This was bound to dent telephone demand and, therefore, the PO's new equipment requirements, but not severely enough to make massive order cutbacks inevitable. The PO expected the higher tariffs which took effect in April, to bring its telecommunications services out of the red and into a break-even position for 1975-76.

But it had made two crucial false assumptions: that Britain's gross national product would grow by 2 per cent. this year, and that inflation would run at 20 per cent. By April it was clear that there would be zero growth, and that inflation was soaring well above 20 per cent. The only way that the PO could see to avoid a loss of about £290m. in the current year—almost as high as last year's £306.7m.—was to raise charges by about the same amount again, putting an average 28 per cent. on the private subscriber's bill and 40 per cent. on business.

Late last month the Government overruled the public outcry by approving the increases (taking effect on October 1), though it threw a sop to the PO's critics by instigating a public inquiry into its affairs.

The first public indication of the impact of these successive price rises at a time of high inflation and economic stagnation was given in a *Financial Times* report on July 31. Compared with the 4 per cent. target set in January, the traffic growth for 1975-76 was forecast at only 1 per cent. against about 7 per cent. in 1974-75 and 10 per cent. or over in the preceding years. The P.O. would not predict when demand would return to the level originally forecast other than implying that the forecast and "actual" lines would converge by 1982. Oddly terming this a "temporary" fall in growth, the P.O. nevertheless warned of significant reductions in forecast investment over the next two or three years. Yesterday the P.O. would go no further, stating that it was still discussing the situation with the manufacturers. But since the July report, both STC and, yesterday, Plessey have confirmed that the proposed order level for the current year appears to be about 25 per cent. below the original target.

Sir Edward Fennessy (left), managing director of Post Office Telecommunications, examines equipment at an electronic exchange. Now the Post Office is planning what GEC describes as "massive" cutbacks in its orders.



Begging the question

Yesterday's estimates of the possible extent of job cutbacks were no different from those published in July—between 12,000 and 18,000. The lower figure is thought to be the P.O.'s estimate, with the higher coming from the industry. Allowing for special pleading, a figure in the 13,000-15,000 range seems most likely. But this begs the question of whether GEC's cuts are all it has in mind or whether it is keeping more in reserve in case the industry comes away with nothing at all from its talks with the P.O. and the Government—a point on which the company would not be drawn.

The situation of the P.O.'s suppliers underlines the plight of the host of British companies largely dependent on nationalised industries for their business which have been unable to broaden their base to a significant degree. Some 70 per cent. of the telecommunications industry's output goes to the P.O., and the export ratio has gradually sunk below the 20 per cent. of 1970. Both GEC and Plessey yesterday re-affirmed their hopes of cushioning the P.O. cuts with extra export business, but, as GEC pointed out with typical British understatement, "the worldwide situation is one of spare manufacturing capacity and . . . competition is intense."

Similar position

To a large extent, the British companies are in a similar position to their German counterparts, Siemens and SEL (like STC, a part of the ITT group). Both were forced into substantial redundancies by last year's Bundespost cutback in orders, which also followed a series of price rises, though in a less depressing economic climate than the U.K.

But the British industry is at a disadvantage on the crucial world telephone exchange market being unable to offer many of the forms of adv[...] exchange for which [...] demand is growing. Th[...] partly a consequence [...] P.O.'s controversial deci[...] 1973 to plump for the [...] cratic TXE 4 design as [...] generation of exchanges [...] than join the world [...] computer-controlled cro[...] crosspoint switching. [...] where many strong [...] factors in favour of the [...] including the fact that [...] ease the P.O.'s supplier[...] the 1980s' world of fully [...] tronic exchanges rather [...] requiring a sudden transit[...]

It is the underlying chan[...] technology, from [...] mechanical to electron[...] changes, which gives a [...] background to the talk of [...] to 18,000 redundancies. [...] cutback of even the [...] amount would not quite [...] the industry's employm[...] the 1977 level of 60,000 [...] was discussed behind [...] doors in 1972 before unio[...] Government pressure for[...] published forecast to be [...] as 82,000. Even if the [...] figure faded into the [...] ground as the PO came [...] Government pressure in [...] to raise its investment [...] the industry's realists have [...] it in mind.

Find they are unsuited

Thus a major rundown [...] certain, if not with as many [...] dundancies as will be inevi[...] if the PO's current propo[...] are implemented. But far [...] than 18,000 people will [...] affected by the change in [...] nology: many will have [...] re-trained, others may find [...] they are unsuited to electr[...] assembly after years of [...] ing in a machine shop.

These are some of the [...] which both the industry and [...] unions, in their different [...] will make to the Industry [...] partment in the near futu[...] Two equally important [...] to be raised by some of [...] manufacturers will be the [...] future inability to meet [...] sudden recovery in PO [...] (with the implied threat of [...] ports to meet the gap) and [...] question of whether the [...] has done enough to reduce [...] own current expenditure bef[...] imposing such draconian [...] on its capital expenditure [...] gramme. Underlying some [...] the private comment yeste[...] was an issue which is rap[...] becoming crucial to the [...] try as a whole: is the Gove[...] ment, and the public sector [...] whole loading too much [...] ployment onto private indu[...] and paying too little atten[...] to putting its own house [...] order?

MEN AND MATTERS

Pressure on the Post Office

Is the Post Office open to persausion on charging policies? The Post Office Users National Council, Government-sponsored but, it insists, independent, protested at the latest round of price increases and was ignored; the older, and completely unattached Telephone Users Association also appears to have had little success.

However, by concentrating on the business mail side, Robin Fairlie reckons things can be changed. Yesterday, he proposed the formation of a Mail Users Association, a body which apparently would combine shouts and whispers to get its way. It would "help the Post Office formulate effective policies" but "force realistic Government action."

Fairlie, 42, is a director of Reader's Digest, which over the years has had a fluctuating relationship with the postal authorities. Higher delivery charges persuaded the Digest to deliver its own copies in urban areas for a while, though four-and-a-half years ago, it went back to relying on the Post Office.

For companies like Fairlie's, direct mail plays a key role, with bulk customers getting a discount on consignments of 5,000 items and above. But the Post Office has not shown any extra generosity to direct mail people recently, and so Fairlie is convinced "what we must have is a body that the Government and the Post Office cannot ignore."

The State monopoly does not extend to the parcel post, and even with the rest, Fairlie said there were "grey areas" in relation to sending of packages and periodicals which a strong users' association would investigate. He pointed to the recent development of local clearing systems, where subscribers go to a central point and deposit letters or packages in boxes allocated to specific receipients as evidence that businessmen at least are becoming less willing to put up with the Post Office.

"Nobody *wants* to get involved in this sort of thing, but we've just had enough," said Fairlie, who adds that his own company is prepared to help get a users' organisation off the ground. The Post Office Users National Council is politely sceptical of the value of such a new body, and a spokesman thought its activities "could be divisive." The Council was set up in 1970 when the Post Office became a Corporation, and its 33 members are appointed by the Government.

Fairlie's association would be a "body with teeth," ready to "understand and work closely with the *young* professionals in the Post Office." (My italics.)

Electric point

High cynicism reigns in the motor industry on the subject of electric cars, but that does not deter mavericks like Sir Jon Samuel, 31, who yesterday unveiled his own prototype range of battery powered small vans. Samuel inherited both his title and engineering leanings from his Victorian forefathers, one of whom was Queen Victoria's Agent General for New South Wales in the 1880s, while another was a noted bridge builder.

His first business interest was in racing cars: ten years ago he set up Diva Cars to race throughout Europe against competitors like Colin Chapman of Lotus. Samuel then joined up with John Goulandris, a member of the Greek shipping family, who bought the Enfield industrial engine company from the Royal Enfield motorcycle group.

Work at Enfield Automotive's Isle of Wight factory concentrated on domestic electric cars, and the issue of whether to go for that market or commercial vehicles led to a break between Samuel and Goulandris in 1970. Samuel considers it much more worthwhile to concentrate on developing efficient vans suitable for operation by owners with fixed daily work patterns and suitably-equipped depots. After all the principle is well established: witness milk floats and Harrods' old electric vans.

Samuel, out on his own, set up Advanced Vehicle Systems to exploit the variable drive system developed by the remarkable Howard Hobbs, a 73-year-old Australian inventor, whose first breakthrough in a life-long series was the development in 1918 of automatic transmission box for the Model T Ford.

Two years ago, the private John Ratcliff concern, better known as a lorry tail lift manufacturer, put about £100,000 into AVS development, and now owns 80 per cent. of the company, with Samuel as managing director. Two of AVS's five prototypes which will be tested by the Electricity Council and another will go to the Chloride battery people. The final product has to prove itself in a market which has seen the launch of two principal experiments, the Enfield city car, and the Lucas van, being tried by the Post Office. Whatever the petrol and diesel-driven lobby says, Samuel believes time is short for British manufacturers to get established in electric road traction, particularly with an eye to the U.S. market. The Japanese, in the shape of Toyota, are gearing up to exploit the potential, backed at home by a Government programme of electric vehicle development.

Leyland's going rate

Back in the more traditional internal combustion end of the motor industry the news that Alex Park, British Leyland's new chief executive, is to be paid £50,000 a year created scarcely a ripple yesterday in the discussions between management and employees over worker participation.

To keep things in perspective, his remuneration is much in line with what Lord Stokes and John Barber were paid as chairman and managing director, and anyway an average man would pay around 70 per cent. —or rather more than £35,000 of that total—in income tax.

While a salary of this level is high by U.K. standards it is by no means so in terms of the international motor league. In the year to September 1974 for example the chairman of American Motor Corporation was paid almost £172,000 in salary and bonus, and the top men in other major motor manufacturers were comfortably into six figures: all with the added consolation of less penal rates of taxation. The top rate of tax there is only 50 per cent. on earned income, and just a few points higher in Germany.

Menagerie

If you have a cat or a dog the new taxi rates of 5p per animal may seem a bit steep. But my sympathy is extended to the driver of cab No. 8742 spotted outside Centrepoint yesterday afternoon: in addition to his two human passengers he was in line to pick up only an extra 10p for the lion cub on the back window ledge and the chimpanzee on the back seat.

Observer

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ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

A horror story told too frequently

TENDENTIOUS document, which I have been coerced paying as a taxpayer, ved recently through my er box, as it did through rly every letter box in the ntry. Entiled *Attack on ation*, it is one of the first ducts of the new £2m. so- ed Counter-Inflation Pub- ty Unit.

he document is partisan in it presents the Labour-TUC on food and housing sub- es, the flat rate £6 and rict price control" as the y sensible and fair approach ead of as measures which opinions differ ngly. We can *only* mourn fact that the Conservatives still so busy with the over- ied goal of party unity, and temperamentally averse to role of opposition, that re was not a peep of protest of them on the whole rcise.

ut there is an issue which not be left to the politi- ns: the anti-educational and leading remarks on why ation is harmful. Inflation, are told, means "jobs lost on rrifying scale. Lost not only a few months but for r. . . . It means the destruc- n of our ability to buy from oad the materials and goods need to keep industry ng."

Bankruptcy

he threat is summarised as dustrial collapse and ional bankruptcy." To the ent that the authors bother give an explanation of why s should happen, they con- trate on the contention that ritain's leading competitors world markets now have the e on us. Their prices are reasing at only half the rate of ours." There is no mention of the *fact* that competitive power depends on the exchange rate as well as on inflation rates, or that over the last three years, in which the U.K. is supposed to have lagged, the exchange rate depreciated enough to keep British costs competitive.

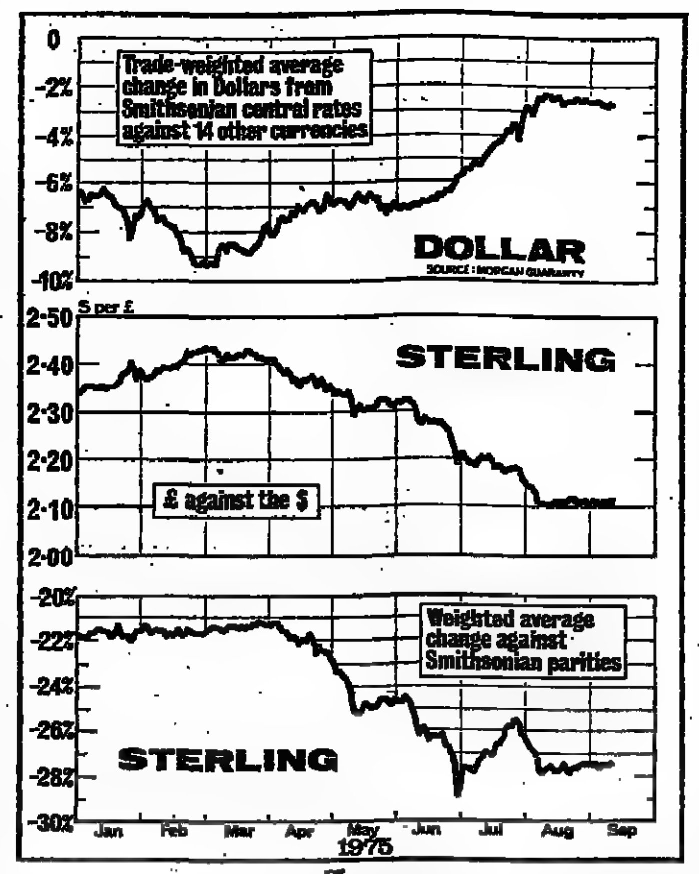
There may have been a case against allowing the exchange rate to depreciate further. But to ignore exchange rates altogether is to play on the presumed ignorance of the recipients and to duck the more difficult task of popularisation—which is to explain the real evils of soaring inflation, which are domestic.

The conventional message has rung in our ears almost continuously since the days of Cripps. The author of the 1954 Economic Survey wrote: "If in present circumstances, the prices of our exports generally were to be pushed up by a rise in internal costs, we should be taking a short cut to national bankruptcy." The horror story of "pricing ourselves out of work markets" has been told, and failed to materialise, so frequently, that the man on the *Clapham omnibus* has developed an instinctive resistance to it.

A perfectly respectable case can be made for a rigidly fixed rate (not an "adjustable peg") *as a prescription to prevent* British governments inflating even faster *than* the world average (just as there is a case for a real gold standard to limit the issue of paper money on a world scale). But there is no case for going in for inflationary policies and then allowing unnecessary unemployment to develop because we are ashamed to let the external value of the pound reflect its internal value.

Fortunately for us all the actual management of the foreign exchanges has been a good deal more sophisticated than the propaganda suggests. The general principle since sterling floated in 1972 has been to allow the rate to drop sufficiently to keep British goods competitive despite differences in international inflation rates.

Between the summer of 1974 and the spring of 1975 sterling was slipping against the weighted average of other currencies. But, because of weakness of the dollar, there was little net change in the sterling-dollar rate.



Trouble

The trouble began when, as a result of a combination of rising interest rates and falling inflation in the U.S., the dollar began to recover. From the spring until the July announcement of the £6 limit on pay rises, sterling was falling both against currencies in general and against the dollar. The oil producers are said to pay particular attention to the dollar rate for sterling, and there were reports that some of them (and one country in particular) were becoming restive. Here was the trigger that set the Government off on its wage-control path.

But this was far from being the only option. One possibility was to allow sterling to fall to a level where it would have been silly to offload large quantities—oil producers would be hardly likely to sell at the bottom of the market. If this option was regarded as unwise, domestic interest rates could have been raised to offset the expected sterling depreciation. Real interest rates last June were heavily negative, and there was a very strong reason for increasing them in any case. A third option was a dollar guarantee for oil producers—this would have seemed "expensive" only if the cost had been measured in terms of a shrinking sterling measuring rod, or if it had been the intention to deprive the producers of a real return on their funds (which, of course, it was not).

It is difficult to escape the conclusion that the one-time opponents of wage controls in the TUC and the Cabinet were taken for a ride—perhaps a virtuous ride, but a ride nevertheless (as they had been in the wage freeze of 1966). The estimates of several million more unemployed without a drastic and non-gradualist reduction in the inflation rate that were thrown at them were based on the assumption that the effective rate of sterling would be pegged and British goods become increasingly uncompetitive. With that kind of model (which also regarded wages as largely unaffected by the resulting joblessness) you can generate any unemployment forecast you like.

As for the Prime Minister and Chancellor, my own guess is that they had become so pre*occupied with the need for an* incomes policy that they did not want to scrutinise the horror stories too closely. In any case, subsequent figures show that the June-July panic was precipitated by almost the smallest sterling crisis ever, and such pressure on the pound that did occur was the result of out-and-out speculation rather than any noticeable withdrawal of sterling balances.

The subsequent behaviour of the foreign exchange markets suggests that for all the fuss made in July the objective is still to allow sterling to depreciate enough at least to compensate for differences in international inflation rates. The fervent hope is that sterling can depreciate against other currencies while holding up against the dollar.

In practice a day-to-day compromise is being worked out. When the exchange rate weakens against the dollar, the oil producers are gently reminded that the weighted average is a better measure. When sterling is firm against the dollar, the opportunity may be taken to let the weighted average drop. In any case sterling has fallen to well below the supposed danger zone of $2.2 to the pound without catastrophe. Although this was accompanied by a much larger official support operation than has been disclosed, most of the funds which were withdrawn earlier in August came back later in the month.

Nevertheless the policy of pretending that sterling cannot be allowed to fall is discouraging British industrialists, who are becoming more fearful of overseas price competition. Officials who advise Ministers on speeches do not realise that their words may, strangely enough, be *believed by many industrialists* outside the cynical metropolitan belt but not by the foreign exchange market at which they are aimed. Phillips and Drew forecasts a weighted depreciation of sterling of 30 per cent. by next winter and 32½ per cent. by the end of 1976. I would not pretend to be able to predict the timing but would not quarrel with the direction.

Bonanza

Although the authorities are trying to preserve British competitive power, they are not prepared to allow the market to determine the rate on its own. For two or three years they have shored up the pound by official overseas borrowing based partly on the hope of a bonanza from North Sea oil. Mr. Denis Healey's remarks at the meeting with the Labour Party's National Executive indicate to me that the Treasury expects to do a good deal more overseas borrowing in a market which is likely to become more difficult. His words suggest that he is expecting a current account deficit from mid-1975 to mid-1976 a good deal higher than the £0.6m. expected by the National Institute; one City estimate is £1.5bn. My view is that one guess is as good as another. But we do know that another oil rig, scheduled to arrive recently, will have an adverse effect either on the August trade *figures to be published to*morrow or, if *not*, on those for September.

These oil rigs are just an instance of the fact that the balance of long-term private investment has, as the new *balance of payments figures* show, turned heavily adverse, and has to be financed in addition to the current deficit. In addition, world commodity prices have started to rise again. Only half the August jump in non-food raw material prices can be attributed to the fall in sterling. The Economist's dollar index of commodity prices has now risen by about 12 per cent. from the low point of June.

On top of this the volume of OPEC funds seeking investment continues to dwindle as more oil producers—with the exception of Saudi Arabia—find that they are spending all they can earn. Poor world grain harvests and the decontrol of domestic oil prices are likely to produce a temporary spurt in the U.S. inflation rate. This, coming on top of some economy recovery and a very heavy U.S. Treasury financing programme, means that there is a risk of U.S. short-term interest rates ending up this winter a good deal higher than they are now. The capacity of the Eurodollar market to raise long-term loans for the U.K. on acceptable terms is thus not what it was in 1974. For all these reasons I would not be surprised to see an IMF borrowing or standby by the U.K., once the Labour Party Conference is over, reinforced perhaps by a call for Special Deposits and a further "firming up" of interest rates.

These policies involve too much of a mortgage on North Sea oil and too much of a *reliance* on payments forecasts for my taste. But however much I would prefer to see a clean float and interest rates determined by an announced money supply policy, the actual management of our overseas *finances is really not* quite as absurd as official propaganda would have us believe.

Letters to the Editor

Incentives for investment

From Mr. M. L. McLaughlin.

Sir,—Your criticism (September 2) of Mr. Jack Jones's proposals for increasing capital investment in industry was fully justified; like most trade union and Socialist leaders who have never undertaken the responsibility of generating new resources, he can think only of Government take-over and direction of other's assets and their diversion into these areas which he favours, largely in the interests of his own supporters.

However, accepting that substantial additional capital investment is essential to assist this country's emergence from its present economic plight, the commercial incentive which, you note, is currently lacking should be supplied by fiscal means—that is, by tax incentives such as a reduction of corporation tax for manufacturing and production industries (as distinct from financial, trading and service companies) which would specifically benefit them and their shareholders.

Such tax incentives should be in addition to normal capital investment tax allowances and should be introduced as soon as possible so as to promote an upsurge of private investment in manufacturing industry rather than in finance or saving where it is at present concentrated.

One of the main criticisms of the Heath/Barber reflation of 1972-73 was that so much of the newly created paper wealth was invested in areas such as property and finance; creating no new assets but merely inflating the paper values of existing assets. A really significant tax incentive scheme should help to reverse this trend and should also secure the undoubted benefits of individual enterprise and judgment in contrast to the dead hand and often misguided judgments of a Government-controlled agency.

M. L. McLaughlin.
12, Park Court, Linkfield Lane, Redhill, Surrey.

Loans for the small company

From the Managing Director, Walton Peripheral Systems.

Sir,—Mr. Stephen Line (September 8) puts into perspective some of the problems faced by the major proportion of small private companies. One difficulty, according to what various clearing bank managers have told me, is that the banks are unable to take risks with what is other people's money. Indeed, one is normally told that money can be loaned to private companies only either against guarantees properly supported by property or some other form of security, or to companies which have built up real tangible assets, again in the form of property or some other security.

May I suggest that the Government take the risk out of loans by the clearing banks by guaranteeing those clearing bank loans that might have otherwise been made, were it not for the two conditions above. If the Government could do this, then companies with good order books would stand a better chance of securing short term working capital. This suggestion, of course, presumes that the banks would vet proposals properly.

D. J. Walton.
Aircraft Esplanade, Farnborough Road, Farnborough, Hants.

Management drop-outs

From Mr. A. W. Campbell-Dick.

Sir,—William Keegan does well (September 8) to draw our attention to Walter Ellis' writings on the Budget deficit and note his emphasis on the need for private investment. Where will the money come from, he asks?

In the end, individual persons must provide the money. But there are two pre-conditions—

—The individual must be allowed to have money to invest.

—There must be some benefit—some attraction—to the individual in making the investment.

We rightly lay great stress on motivating workers to work efficiently. But do we care at all about the motivation of the investor, or the entrepreneur?

Much of our present industrial wealth had its foundation in the willingness of an individual to take a risk—to hazard what personal wealth he had in order to make more.

To-day our tax system denies that individual any personal benefit. Your Men and Matters column records (September 8) that Mr. Thomas Atherton, a supreme example of the risk-taking professional engineer who should be vigorously encouraged, is finally forced to flee to the Isle of Man from a tax system which leaves him, out of £0,210, a net income of £6,835.

This should be blazoned on your front page. Do we really believe that the money taken now in income-tax and later in capital transfer tax from Mr. Atherton will be better used in the interests of our economy by a civil servant who would, by definition, not be in the civil service if he were willing to take risks in backing his own judgment?

There are thousands of men and women in this country who are highly skilled in management and administration, who have slaved long hours to qualify professionally; who have disrupted the smooth flow of family life to gain the right experience, and in many cases have mortgaged all their assets to enter on a risk-venture. These men and women are the key to success in our economy. They are enthusiasts. They are passionate about their work and their concern for their fellow workers.

But they are also just a little bit human. If they are to go on giving their all they need to be motivated. And they need to be rewarded. And the privilege of paying 90 per cent. tax is not sufficient motivation or reward.

May I call on the political thinkers of this country to say why they think able men and women should strive to benefit the country while being denied any prospect of additional personal benefit. What can they say to a 45-year-old who has worked long hours, who has taken risks and who has 10-15 years of valuable contribution ahead of him? Already, his income is approaching the net maximum the tax system will allow him.

That man to-day contemplates retiring in one or two years' time and devoting himself to charitable work. This will give him great personal satisfaction but the national economy will be the loser.

Can our political thinkers offer that man any motivation to remain in the mainstream of economic life? If not, they had better change their thinking or they will betray the next generation by denying it the benefit of the skills and knowledge of the thousands who to-day are moving out of the mainstream or are seriously contemplating doing so.

Alistair W. Campbell-Dick,
136, Stapleton Hall Road, London, N.4.

Five minutes to midnight

From Mr. A. Rooke-Ley

Sir,—The Financial Times must be thanked for Lombard's article (September 5) which highlighted so very aptly the differences between the "rich" and "poor" worlds. Furthermore, had the article not made allusion to the programme being shown on BBC2 on the subject that very night it is unlikely that I, for one, would have watched it. Having seen *Five minutes to midnight* one cannot help but be spurred to do something to prevent the gap between the rich and the poor worlds, already far too wide, becoming any wider.

Antony Rooke-Ley.
Cramond, 54, Riverside Road, Eaglesham, Glasgow.

The cost of gold

From Mr. E. R. C. Parker.

Sir,—Before allocating the proceeds of the International Monetary Fund's sale of gold, Professor C. A. W. Manning (September 5) should consider whether there is anything to allocate.

The sum of $2½bn is paltry by comparison with sums disposed of by governments and even by private banks in these days, and the sale of the whole of the IMF's stock would not realise a quarter of what the U.S. proposes to owe itself in this year's budget deficit.

By definition, gold is now an unwanted and therefore devalued commodity, and with the American stockpile, the IMF stockpile, those "unpredictable Russian sales," and Arabs who will not buy for fear of "disturbing the market," it is astonishing that it retains a value at all.

In effect, therefore, what is being done is to set up a sort of glorified Oxfam, disposing of unwanted goods to "help the poor." A great gesture by great people—and quite in keeping with the whole gold story.

E. R. C. Parker.
6, Wolstonbury Road, Hove, Sussex.

Bibliography on the Chunnel

From the Principal, Afco Associates

Sir,—To read Mr. Donald Hunt's latest letter (August 21) one might almost come to the conclusion that he had not heard that the Channel Tunnel project had been cancelled, so glowing was his praise.

However, for the benefit of anybody who may still harbour dreams about the viability of that late project, perhaps you will allow me to sustain the contrary position with direct quotations from two of the series of official reports which Mr. Hunt says he has no knowledge of:

"Having regard to the element of doubt as to the feasibility of construction, the weakness of the economic case, the great cost, the long period before which the capital expended could fructify, and the small amount of employment provided, the Government have come to the conclusion that there is *no* justification for a reversal of the policy pursued by successive Governments for nearly 50 years in regard to the Channel Tunnel." (HMSO-Cmnd 3591, June, 1930).

"The likely return on share capital for the tunnel operating company is itself considerably less than the minimum which the promoters consider necessary for the placing of their shares. Nor would this minimum be achieved, even on the basis of alternative calculations we have made with more favourable assumptions for financing and cost." (HMSO-Cmnd 2139, September, 1963).

The Cairncross Report (HMSO—July, 1975) joins this succession by making it clear that to continue would have required "the allotment of large additional *sums of Government credit.*" (Para. 5.1.4).

The Chunnel proposal has become surrounded with a web of folklore and myth, while the taxpayers of this country were gulled into a multi-million pound fiasco, which must not be repeated in the future.

It is for these reasons that I have urged, and will continue to urge, the Secretary for the Environment to publish a properly indexed bibliography of all reference material as an addendum to the Cairncross Report while this material is still assembled in one place within his Department.

Alan Cornish
21 Tennyson Avenue, London, E.11.

A taxation absurdity

From the Treasurer, Watford Consumer Group.

Sir,—An appeal was made recently in our local paper for people to offer accommodation to students in their homes; this situation must be paralleled up and down the country as college welfare officers try to find rooms for their new students. One of our members consulted us about the possible tax implications of offering a room in his house.

The Inland Revenue have now told us that if a houseowner lets a room in his house, they may well take the view that a business is being carried on, and that consequently there will be a liability to capital gains tax if the house is subsequently sold. House prices have increased rapidly in recent years; they may well do so again. So, due to the letting of a single room, there could well be a tax bill of several hundred pounds in a year or two's time. The tax bears no relation whatever to the rent charged—in fact the tax is the same if the rent is 20p or £20 a week!

We think that this situation is quite ridiculous. No wonder people are reluctant to let rooms.

D. C. Doughty.
11, King George Avenue, Bushey, Watford, Herts.

A load of old rubbish

From Mrs. E. M. Farquhar.

Sir,—I have just received my copy of the Government's proposals for dealing with inflation. It went straight into the bin.

Any Government that is so bereft of ideas that it has to spend £2m. telling the people what they have known for the past six months and more ought to resign and give others a chance to have a go.

E. M. Farquhar.
14, Carlingford Court, Victoria Drive, Bognor Regis, Sussex.

To-day's Events

GENERAL

Ulster Convention, Stormont.

Mr. Michael Foot, Employment Secretary, leaves for the Federal Republic of Germany for two-day visit.

Reg Prentice, Minister for Overseas Development, launches constituency re-adoption campaign, Newham Town Hall.

First and second reports of the Select Committee on Science and Technology.

Inter-Parliamentary Conference continues at Royal Festival Hall.

Second and final day of Financial Times—Oil Daily conference on World Coal, Europa Hotel, London.

Institute of Bankers Cambridge seminar—paper on Recruitment and Career Development of the Branch Manager by Mr. R. R. Amos, assistant chief general manager, Lloyds Bank.

United Nations sixth special session on "new international economic order" continues in New York.

OFFICIAL STATISTICS

Construction output (2nd qtr.).

COMPANY RESULTS

London Merchant Securities (full year).

Carpets International (half year).

Dickinson Robinson Group (half year).

Hepworth Ceramic Holdings (half year).

Lead Industries Group (half year).

COMPANY MEETINGS

Allnatt London Properties, Winchester House, E.C., 12.

Associated Television Corporation, 17, Great Cumberland Place, W., 12.

Astra Securities, Birmingham, 11.30.

British Land, May Fair Hotel, W., 12.

Bulmer (H. P.), Hereford, 2.30.

Carlton Industries, Bristol, 11.

Danks Gowerton, Dudley, 11.

Fisher (Albert), Burnley, 12.30.

Haics Properties, Sutton Coldfield, 12.

Kinta Kellas Rubber Estates, 1, Great Tower Street, E.C., 12.

Mitchell Somers, Connaught Rooms, W.C., 11.30.

New London Properties, Dorchester, W., 12.15.

Wallis (Costumiers), Connaught Rooms, W.C., 11.30.

EXHIBITION

Chelsea Antiques Fair, Chelsea Town Hall, London.

COMPANY NEWS + COMMENT

Steetley down 4% to £6.1m. at halfway

REFLECTING world trading conditions group pre-tax profit of *The Steetley Company decreased* by 4 per cent. to £6.1m. in the first half of 1975 on external sales up from £65.34m. to £74.22m.

And present indications for the second half-year are that, while some improvement is looked for in overseas operations, total profits are unlikely to equal those in the first half, says the chairman, Mr. N. M. Peech. Second half 1974 profit was £6.92m.

The interim dividend, on capital increased by a rights issue, is raised from 1.9029p to 2p net per 25p share, and the directors expect to recommend a Treasury permitted total of 5.25p (4.471p).

	First half 1975 £000	First half 1974 £000	Second half 1974 £000
External sales	74,224	65,335	75,660
Trading surplus	9,209	[illegible]	10,014
Depreciation	1,920	1,710	1,761
Net int. payable	1,197	778	1,334
Surplus before tax	6,096	6,352	6,915
Taxation	3,280	2,812	3,475
Minority interests	119	209	269
Attributable	2,697	2,840	3,173
Dividend	557	[illegible]	595

Half-yearly figures for 1974 have been adjusted to the exchange rates included in the 1974 annual accounts.

Sales and profits from U.K. operations exceeded those achieved in both the half-years of 1974 with export sales again showing further improvement. In overseas operations the recession in world trade has been reflected in lower profits from Canada, Australia and Europe, says the chairman.

The financial position has been strengthened by the proceeds of the April rights issue, although the proceeds are not yet making their full contribution to earning capacity. Principal activities are mineral extraction and processing, chemical and high temperature ceramic manufacture, etc.

● **comment**

Trading profits at Steetley are 5 per cent. ahead on a 14 per cent. sales gain but higher depreciation charges and a 62 per cent. jump in interest payable have combined to lower pre-tax profits by 4 per cent. In the U.K. a steady performance on magnesia and ceramic exports and better than expected demand from the construction industry offset a downturn on steel industry supplies and chemical manufacturing. On the overseas side, 36 per cent. of operating profits last year, the story is less bright. A two-fifths drop in the minorities charge reflects a very sharp fall in demand for the group's distribution services in British Columbia while Australia is still losing money under the impact of high interest rates. Western Europe is also subdued. In the second half, the U.K. side should head downwards, some recovery is expected overseas and about £350,000 of notional interest savings may result from the recent £6.8m. rights issue; pre-tax profits may be in the £11m.-11.5m. range. A prospective diluted p/e of 8 and a yield of 8.3 per cent. at 97p remain a fairly high rating.

INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.	Company	Page	Col.
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Armstrong Equipment	21	1	London United Invs.	20	5
Bates (E.)	20	6	Longton Transport	21	3
Bestobell	20	7	Marshall Morgan	21	4
British Enkalon	20	5	Marston Thompson	22	7
City & Commercial	21	6	Myson Group	20	4
Collins (Wm.)	23	1	Newey Group	22	6
Dewhirst (I. J.)	21	2	Oil Exploration	20	7
Excalibur Jewellery	21	3	Phoenix Assurance	21	4
Expanded Metal	20	3	Rowan & Boden	20	6
Felixstowe Dock	20	2	Steetley	20	1
GRE	22	4	Tavener Rutledge	21	1
Guinness Peat	22	7	Wholesale Fittings	21	3
Hoffnung (S.)	20	8	Zetters	22	8

Felixstowe Dock up £85,235

REFLECTING a second half upsurge pre-tax profit of **The Felixstowe Dock and Railway Company** increased from £639,153 to £724,388 for the year to June 30, 1975, after £207,000, against £375,863, for the first six months.

Turnover for the year advanced by 34.9 per cent. to £8,554,441 and tonnage handled rose by 14.8 per cent. to 4,205,165 tonnes.

Despite continued effect of higher interest charges and *general inflation in costs trading* in the second half improved considerably, the directors state. The new berths which came into use in the latter months of the financial year contributed to this improvement.

A final dividend of 4.165p net per £1 unit makes a net total of 6.51p (6.615p). Earnings per unit are shown at 9.65p (7.7p).

No tax arises on the profits but £368,000 has been transferred to deferred tax. Cost of the dividends is £227,330 (£231,006).

The directors have signed an unconditional agreement whereby Tankfreight, a subsidiary of the National Freight Corporation, will acquire 80 per cent. of the capital in Felixstowe Tank Developments from existing holders. FDRC will retain a 20 per cent. interest in Felixstowe Tank, having previously held an 80 per cent. interest. The total consideration is £880,000 cash.

Turnover of Felixstowe Tank Development for the year was £482,221 (£392,320) and profit £129,569 (£111,300).

A second interim dividend of 1.75p net per 25p share makes a total of 2.5p (2.29p), costing £25,000 (£22,900). No taxation arises on the profits owing to group relief of £35,000 and a transfer of £33,000 to deferred tax.

● **comment**

Felixstowe has finished the year on a far more cheerful note with second half profits 74 per cent. to the good for an overall gain of 13 per cent. Interest charges would naturally have been severe but the use of the new berths towards the end of the year has had an immediate impact: tonnage handled rose by 15 per cent. after a gain of only 7 per cent. in the first six months. Meanwhile the proceeds of the Tank Developments sale will ease the borrowing problem, pending further developments. The outlook for the shares at 79p where the yield is about 13 per cent., would now seem to be somewhat brighter.

See also Page 7

Expanded Metal downturn

COMPARED WITH a forecast that first half 1975 results would be "close" to last year's record £1.23m., profit, before tax, of The Expanded Metal Company declined by 9.7 per cent. to £1.11m. The year 1974 figure was a peak £2.37m.

Performance in the remainder of the year will depend on general economic circumstances although, say the directors, there are some signs of increasing volume. The group is in a "strong financial position and is well placed to exploit any growth opportunities that can be created."

The interim dividend is up from 1.125p to 1.25p net per 25p share and the directors point out that the maximum permitted total is 2.7475p (2.3675p).

They explain that business conditions in the first half in home and overseas markets have been more competitive and many customers have been de-stocking extensively. This has affected the *volume of sales for some products*, they add.

	First half 1975 £000	First half 1974 £000
Turnover	[illegible]	9,078
Profit before tax	1,109	1,228
Tax	576	638
Profit after tax	533	590
Pref. dividend	2	2
Available Ord.	531	588
Interim dividend	191	170
Retained	340	418

● **comment**

On a 7 per cent. drop in turnover, incorporating a far greater volume fall, pre-tax profits at Expanded Metal have fallen by only a tenth. The company attributes this fairly stable margin performance to selective cost reductions, lower interest charges as a result of stock rundowns in the stockholding division and reasonable demand from the construction industry (about 30 per cent. of sales). In other words, the group has adjusted to a lower level of demand and with volume apparently showing signs of recovery there may be only a mild shortfall in the full *year outcome. At 57p the prospective yield is 7.6 per cent.*

Statement, Page 21

Myson halfway advance

ON SALES of £13.52m., pre-tax profit of Myson Group, the heating and engineering concern, advanced from £605,319 to £727,477 in the first half of 1975 and the directors anticipate that turnover *will increase in the second half* with a greater percentage of exports. Profit in 1974 amounted to £1.26m.

The interim dividend is maintained at 1.5p net per 10p share. Dividends in 1974 totalled 3.5p.

The directors state that they will shortly be distributing a circular concerning the recent *acquisition of the assets of the* water circulating pump division of Sunstrand International Corporation S.A.'s European subsidiaries.

In his annual statement in April, chairman Mr. R. E. Myson said that first quarter 1975 sales were running at a record level and were 33 per cent. up on last year's average which was a "substantial" achievement.

Provided the group could sustain this momentum, even though margins had of necessity to be lower, it should see a return to the level of profit more in keeping with the company's past record, he added.

● **comment**

An interim profits advance of a fifth looks a solid enough performance at Myson, and the gain, apparently, would have been higher but for abnormal losses of £0.25m. at the Henry Wilson acquisition. This disclosure should offset disappointment at the second-quarter sales slowdown, and justifies the big figures anticipated in the second six months. Sales, for example, could expand by nearly 50 per cent. to £16.2m., and, assuming unchanged margins, this implies a full year advance of £0.4m. to £1.6m. Significant changes of emphasis are taking place within the overall growth picture. Exports and overseas sales should *reach about £5m. (1974: £2.6m.)* and the push here should help Myson benefit from Franco-German reflation moves; the recent Sundstrand acquisition could contribute as much as £0.3m. in a full year. At 64p, the shares yield 4.9 per cent.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Amber Day	0.65	Oct. 29	0.93	1.38	1.29
Armstrong Equipment	1.09	—	1.03	1.69	1.54
Bestobell ... int.	2.94†	Oct. 13	2.75	—	7.06
City and Comm. Trust int.	0.78	Sept. 30	0.72	—	1.33
Wm. Collins and Sons int.	1.6	Oct. 8	1.6	—	3.48
Coronation Syndicate	10(d)	Nov. 6	30	34	92
I. J. Dewhirst ... int.	0.88	Nov. 27	0.86	—	2.46
Excalibur Jewellery	0.18	Oct. 29	0.18	0.39	0.37
Expanded Metal ... int.	1.25	*Oct. 31*	1.13	—	2.37
Falcon Mines	35(c)	Nov. 12	35	65	55
Felixstowe Dock	4.17	Oct. 31	4.17	6.51	6.62
Felixstowe Tank 2nd int.	1.75	Oct. 31	1.59	2.5	[illegible]
Guardian Royal ... int.	3.5	Jan. 5	3.3	—	7.75
Guinness Peat	5.62	Oct. 31	5.36	7.62	7.11
Jos Holdings	1.15	Oct. 21	1.1	1.9	1.6
London Atlantic Trust	1.0	Oct. 23	1.3	1.75	2.05(b)
Marshall Morgan Scott int.	1.5	Oct. 28	0.7	—(a)	3.9
Myson Group ... int.	1.5	—	1.5	—	3.5
Newbold & Burton ... int.	0.98	Oct. 28	1.01	—	2.35
Newey Group ... int.	Nil	—	3.77	—	7.99
Phoenix Assurance ... int.	3.73†	—	3.7	—	8.23
Steetley ... int.	2.0†	Oct. 19	1.9	—	4.47
Tavener Rutledge ... int.	1.63	Jan. 6	1.23	—	3.77
Tweefontein	20(d)	Nov. 6	110	70	190
Thomas Walker	0.5	—	0.47	0.67	0.64
Winston Estates ... int.	0.41	Oct. 31	0.42	—	0.96
Zetters Group	0.95	Nov. 6	0.89	0.95	0.89

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition. (a) *Total of 4.16p intended.* (b) For 15 months—1.65p annualised. (c) Rhodesian cents. (d) South African cents.

Enkalon midway loss £3.16m.

A LOSS of £3.16m. was incurred by British Enkalon in the first half of 1975, compared with a profit of £1.34m. for the corresponding period of 1974, and with a loss of £1.23m. for the second half of 1974. The company, man-made fibre producers, is a subsidiary of Akzo of Holland.

Sales for the half year were down from £20.23m. to £18.15m.

The chairman, Mr. J. Martin Ritchie, says trading conditions in the U.K. textile industry continue to be very serious.

The most important problems are the continuing high level of imports of man-made fibres, fabrics and garments, the reduction of stocks by wholesalers and retailers and the uncertain *outlook for consumer demand.*

It is impossible to forecast when there is likely to be any major overall improvement, but it could be well into 1976 "before there are signs of a significant recovery," he declares.

The company suffered from enormous increases in the cost of labour, energy and services over *which it had no control.*

Further steps are being taken to effect drastic cuts in both overhead and personnel expenses, and every possible avenue to still further reduce costs will be explored.

However the company is continuing to develop new products and has recently introduced a new type of polyester producer texturised yarn. Further new developments are now in process and will be introduced to the market shortly, the chairman adds.

	Six months June 1975 £000	June 1974 £000	Dec. 1974 £000
Sales	18,148	20,231	20,080
Trading loss §	2,750	*1,611	1,080
Associate profit	42	206	59
Interest charge	449	†133	207
Loss before tax	3,157	*1,342	1,229
Tax credit	2,096	‡271	977
Minority interests	24	30	3
Attributable loss	1,057	*1,101	249

§After depreciation £1,264,000 (£1,148,000 and £1,228,000). * Profit. † Credit. ‡ Charge.

Tax adjustment has been arrived at after taking into account allowances on capital expenditure which are in excess of the net cost of these assets to the group.

See also Page 8

London United midway dip

First half 1975 turnover of **London United Investments** expanded from £1.9m. to £2.24m., but profits fell from £289,000 to £248,000 before tax of £163,000 against £148,000. Last year's profit reached £701,000.

The Board expects results for the year to exceed those of 1974 subject to unforeseen changes in present trading conditions and the result of the well on block 3/23 in the North Sea.

An interim dividend of 1.716p (1.5829p) net has already been paid and a final 1.716p (1.7116p) net already forecast on increased capital.

	Six months 1975 £000	1974 £000
Turnover	2,236	1,901
Operating profits	291	393
Insurance	230	294
Property	14	37
Invest. and trading	47	62
Overheads & In. stk.	101	101
Share assoc. profit	58	*3
Profit before tax	248	289
Tax	163	148
Net profit	85	141

* Loss.

The directors say that the reduced profit should not be taken as a trend for the year. Comparative figures included an exceptional profit for insurance activities but it is estimated that this division will earn operating profits of about £785,000 (£629,000) for the year.

Investment properties having a book value of £1,245,000 were sold for £1,008,000 and the loss of £237,000 has been charged to capital reserves.

The group's insurance and trading activities continue to prosper. The property division is continuing to dispose of trading assets but will maintain an investment portfolio of £4-5m. of *industrial and commercial property* partly financed by £2,316,000 of long term low-coupon debenture stocks.

TOWN & CITY PROPERTIES

Fanmure Gordon and Co. have purchased for redemption, on behalf of Town and City Properties, *£140,000 nominal Sterling Guarantee* 9½ per cent. unsecured loan stock.

E. Bates looks for upturn

FROM incoming Arab funds **Edward Bates and Sons (Holdings)**, the merchant bank, is regaining its ability to be profitable, *states the chairman, Mr. D. A.* Keown-Boyd, in his annual statement.

It is his firm conviction that the company is heading for a period of steady improvement in the profitability and the quality of its business but he warns of a "long hard climb" ahead.

In order to create a group *strong enough to withstand the* stresses of these difficult times, the company must become truly international, and to this end it has continued its geographical spread overseas.

The directors see a period of steady progress resulting in an internal group with its assets and contacts spread worldwide. *Directly and indirectly they have* under management assets of various types amounting to some £94m. Of this about 70 per cent. is overseas. These figures do not include investments managed for clients or their cash balances.

The auditors state that they are unable to give an opinion as to whether the provisions for loans *secured on property (amounting* to £15.5m.) are adequate or excessive.

As known, the company incurred a pre-tax loss of £3.79m. during the 12 months ended March 31, 1975, compared with a profit of £2.96m. the previous year. There are no dividend payments, against 5p net.

Meeting, Winchester House, E.C., October 3, at noon.

Rowan & Boden expectation

First half 1975 pre-tax profit of furnishers, plastic manufacturers, etc., Rowan & Boden, amounted to £135,000 (compared with £166,000 which included a £46,000 gain on the sale of property). Despite current difficulties the directors feel that "reasonable profits will be achieved this year." Pre-tax profit for the year 1974 was *£271,927.*

It has been decided that the time is not opportune to resume interim dividends. The single payment for 1974 was 1.005p net.

	Half year 1975 £000	1974 £000
Turnover*	3,402	2,687
Interest charged	42	56
Pre-tax profit	135	166
Taxation	73	90
Net profit	62	76

*Excluding VAT

Mr. J. M. McLaren has been appointed to the Board.

Bestobell up 24% so far

FIRST HALF 1975 pre-tax profits of **Bestobell**, the international engineering and chemical products group, were £2.98m.—a 24 per cent. increase on the corresponding *period last year.* Group turnover advanced by 21 per cent. to £29.38m. Overseas companies accounted for 59 per cent. of pre-tax profit, and U.K. companies 41 per cent.

The interim dividend is 2.9347p per 25p share, on capital increased by the recent one-for-three rights issue. This is the maximum allowable *increase* on the 2.75p interim for 1974. Total for 1974 was 7.06357p paid from taxable profits of £4.86m.

The chairman, Sir Humphrey Browne says that the U.K. contribution to group results is likely to be lower for the current year than for 1974. On the other hand, profits of the overseas companies whose financial year ended on June 30 show "a very substantial increase."

Although the year started satisfactorily the recession began to have its effect during the second quarter, members are told. So far this has shown itself mainly in the form of falling order levels for some products.

Sales overseas and in Europe for the first half of 1975 were substantially higher and pre-tax profit was up by 47 per cent. Most of the overseas companies made higher profits but the results from Australia were particularly good.

	First-half 1975 £000	1974 £000
External sales	29,384	24,213
Profit associates	2,981	2,402
Tax	1,501	1,228
Net profit	1,480	1,174
Minority interests	72	39
Exchange adjustment*	78	190
Attributable	1,483	1,325
Interim dividend	374,957	263,519

* Revaluation of undistributed profits of overseas companies for prior years at exchange rates ruling on last day of relevant accounting period.

● **comment**

Non-petrochemical activities in the U.K. have proved something of a drag for **Bestobell** in the first half but thanks to the strength of the overseas interest—profits were 47 per cent. higher—there is an overall increase of some 24 per cent. With the overseas results consolidated six months in arrear their outcome for the year is already in the bag. Growth here should be at least as high as in the first half while for the group as a whole there should be a finance charge saving of some £300,000 following the £2.7m. rights issue. That should more than take care of the shortfall expected in the U.K., in particular in the paints division, giving support for the shares at 142p where the yield is 8 per cent.

Statement, Page 21

Reduction at Oil Exploration

FIRST HALF 1975 profit before tax of **Oil Exploration (Holdings)** declined from £603,000 to £461,000 after exploration expenditure of £155,000, against £17,000 written off. For all 1974 profit was £0.87m., a record.

In the current year the directors say that operating profit will show an increase over 1974 but in view of exploration expenditure which will be written off in the second half, profits after exploration written off and tax are not expected to reach the 1974 level. However, they expect that the dividend for 1975 will at least be maintained at last year's 1.608p net.

Total expenditure on exploration during the half year amounted to £374,000, against *£17,000. Successful exploration* accounted for £219,000 (nil).

Sales were up from £791,000 to £934,000 and operating profit from £565,000 to £616,000. In the first half of 1974 exploration interes[ts] in the Netherlands were sold f[or] £55,000.

There was a tax charge [of] £240,000 (£340,000) in the fi[rst] half 1975.

The increase in sales for t[he] six months came from high[er] volumes produced from [the] Hewett field, say the directors.

Confident outlook at Hoffnung

IN HIS annual statement th[e] chairman of S. Hoffnung and Co., Mr. H. Roland Bourne, says that h[e] faces the future with confidenc[e]. He hopes that, subject to unforeseen difficulties, results for th[e] current year will not disappoin[t] shareholders.

It must be expected that fir[st] half results will continue to b[e] adversely affected by the sam[e] economic factors as prevailed [in] the second half of 1974-75, h[e] warns.

However he is hopeful that trading conditions will improve *significantly in Australia in the* second half.

G and M's management accounts and order book for the first quarter are encouraging: the Fiji company has also started the year well; but conditions in New Zealand remain difficult.

As reported on August 20, taxable profits fell from £3.38m. to *£2.92m. in the year to March 31,* 1975 on sales of £76.13m. (£69.3m.). The dividend is 3.445p (3.254p) net.

An analysis of sales and profits by activity shows (£000s omitted): —wholesaling £44,736 (£42,930) and £1,121 (£1,273), agencies £9,039 (£8,997) and £693 (£1,015), retailing £16,024 (£14,005) and £586 (£687), manufacturing—Australia £4,537 (£3,382) and £139 (£405), and manufacturing—U.K. £1,756 and £351. Exports from U.K. totalled £1.47m. (£0.7m.). Some 94 per cent. of turnover originated in Australia, 4 per cent. in New Zealand and Fiji and the rest in the U.K.

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ISSUE NEWS

FODEN FLOP

Fodens rights issue of 3.17m. 10 per cent. Convertible Redeemable Cumulative £1 shares on the basis of two for every five Ordinary held was accepted as to 126,024 shares—4 per cent. The balance of the shares offered has been taken up by the underwriters.

EDGAR ALLEN

The £946,461 7¾ per cent. debenture stock of Edgar Allen has been admitted to the official list by the Council of the Stock Exchange and dealings in the new stock will commence without documents of title to-day. Certificates will be posted on or before October 1 and meanwhile transfers will be certified against the register.

L & S STAKE IN SCOTTISH DISCOUNT

Lloyds and Scottish announces that it has acquired 1,636,559 shares of **Scottish Discount Company** of Glasgow, representing a holding of 77,318 per cent. of the share capital.

The total consideration of *£1,006,463.17* has been satisfied by the issue of 1,127,350 Ordinary shares of L and S and by payment of £296,247 cash.

HOLLIS ESA

Hollis Bros. and ESA has formed a new international company to promote the group's products overseas. The company manufactures furniture and equipment for sale to universities, laboratories and other educational institutions.

Armstrong Equipment hits peak £3m.

IN A TURNOVER up from 26.13m. to £31.54m., group pre-tax profit of Armstrong Equipment increased from £2,494,000 to a record £3,051,000 in the year to June 29, 1975, after £1,360,000 (£1,215,000) for the first half.

And despite the steadily declining business activity in the U.K. during the year, growth in earnings has been maintained by the further broadening of the business base. This growth is expected to continue during the current and subsequent years, the directors state.

A final dividend of 1.0876p lifts the net total from 1.541p to 1.6876p from earnings up from 5.13p to 6.84p.

	1974-75 £000	1973-74 £000
Group turnover	31,538	26,133
Pre-tax profit	3,051	2,494
Taxation	1,615	1,282
Net profit	1,436	1,231
Extra-ordinary debits	—	24
Dividends	480	404

The company manufactures vehicle suspension units, etc.

● comment

Armstrong Equipment continued to buck the trend last year, lifting pre-tax profits by 22 per cent. against a generally depressed background in the U.K. automotive products industry. Growth, which accelerated in the second half, owes a good deal to recent expansion in the replacement market which now accounts for between 42 per cent. and 45 per cent. of total sales, compared with roughly a quarter in the previous year. Original equipment sales eased off last year and the decline seems to be continuing. However, the group is still investing in replacement sales—this year it is to make a determined effort to enter the retail sector by opening ten stores. Other expansion on the replacement side includes a doubling of capacity in the wholesaling division from 60 branches to 120. That the group has been able to embark on this course while also reducing bank borrowings (these now stand at around £3½m. compared with a 1973-74 level of £4.6m. and trimming the total work force by 35 per cent. says much for management expertise, and the shares which at 45p are yielding just under 5 per cent.—compared with a sector average of 10 per cent.—are partly discounting this.

Tavener Rutledge to top £0.3m.

Reporting first half pre-tax profits up from £114,878 to £151,097, the chairman of Tavener Rutledge, Mr. Anthony Hyde, repeats his forecast that profits for all of 1975 will be on "the safe side" of £300,000. If home sales pick up this could be conservative, he tells members. Last year taxable profits reached £248,086.

The interim dividend is raised from 1.225p to 1.625p net and the maximum for the year is intended. The 1974 total was 3.76875p. Mr. W. H. Tavener has waived his interim dividend on 228,408 shares.

	Half year 1975 £	Half year 1974 £
Turnover	2,254,098	1,670,763
Trading profit	203,950	141,562
Interest charges	51,772	25,229
Investment, etc.	919	1,545
Profit before tax	151,097	114,878
Tax	83,407	57,350
Net profit	67,690	57,528
Available	67,690	57,528
Dividend	23,175	17,866

Mr. Hyde says that sales hold the secret of the result for the year. At present export sales look promising, but on the home market there has never been a period when sales of weigh-out jars have been as hard to get. This is true for the trade in general. However the company has some strong count lines particularly appealing to children. The group manufactures sugar confectionery.

I. Dewhirst up 54% at halftime

FIRST HALF (to July 18, 1975) sales of I. J. Dewhirst Holdings increased from £2.55m. to £3.42m., and pre-tax profit advanced 54 per cent. from £201,000 to £310,000. The figure for the year to January 17, 1975, was £487,000.

Earnings per 10p share for the six months are shown at 3.54p (2.34p), and the interim dividend is raised from 0.86p to 0.88p. Last year's total was 2.46p.

Although trading conditions became more difficult full production levels were maintained. The first half of 1974 included the period of the miners' strike and three-day working week.

Trade is hard and competitive but the company's well placed to meet the present challenge with modern plant and equipment and a strong cash position.

"I believe demand for our products is rather better than that of the clothing industry generally and consequently we have to date been able to maintain full time working," says the chairman, Mr. A. J. Dewhirst.

	28 weeks 1975 £000	28 weeks 1974 £000	52 weeks 1974-75 £000
Sales	3,420	2,550	5,741
Profit before tax	310	201	487
Estimated tax*	161	104	257
Net profit	149	97	230

*It is expected that at the year end part of tax will be offset by tax allowances and transferred to deferred tax account.

Cost of the interim dividend is £37,377.

ELECTRO-COMPONENTS

Electrocomponents states that reference should have been made in the notes to the accounts of the capital commitment entered into by R. S. Components on March 31, 1975 for the installation of a computer at a total cost of £433,000, including all preparatory work and software.

This expenditure will fall to be met by R. S. Components during the current financial year and shortly after.

Wholesale Fittings holds sales

FIRST quarter sales at The Wholesale Fittings Company are similar to the comparable period last year, but costs continue to increase, according to Mr. D. S. Rose, chairman, in his annual statement.

He confirms that the company, electrical distributors, is well placed to take advantage of any upturn in trading conditions.

As known, profit before tax increased from £0.83m. to £0.99m., a record, for the year to April 25, 1975. Dividends are up from 4.02p to 4.29p net.

All sections operated profitably during the year, says Mr. Rose.

A source and use of funds statement shows an increase in net liquid funds of £601,000 during 1974-75 (£616,000 decrease).

Meeting, Great Eastern Hotel, E.C., October 8 at noon.

Statement, Page 10

Longton Transport well placed

Longton Transport (Holdings) is in a strong position to take full advantage of the business available in its wide field of operations, states the chairman, Mr. E. G. Dale.

To enable trading results and profit to resume their normal upward trend the group is to a large extent dependent upon an improvement in the national economic climate. This can only follow success in the efforts at last being made to curb inflation, he declares. No effort is being spared to combat the difficult conditions now prevailing, members are told, but he feels it would be imprudent at the present time to make any firm forecast of the future results.

The major item of capital expenditure, in the steel stockholding division, is the last to be completed under the recent series of developments.

The first few months of the current year have produced satisfactory results in the road transport storage division, but rising costs are again becoming more difficult to recover.

As reported on August 16, sales expanded from £14.49m. to £15.7m. in the year to March 31, but profits fell from £897,993 to £732,244 before tax. The dividend is 2.839675p (2.67375p) net.

An analysis of profits by activity shows (£000s omitted):—Road transport storage and distribution £235 (£168) steel stockholding and processing and engineering supplies £411 (£566), and vehicle distribution, repair services, and crane hire £86 (£164).

Meeting Stoke-on-Trent on October 3 at 2.30 p.m.

Statement, Page 23

Excalibur Jewellery

AFTER RISING from £296,687 to £333,972 in the first half, profits of Excalibur Jewellery finished the year to April 30, 1975, up from £609,324 to £691,257 subject to tax of £367,332 compared with £310,561.

The final dividend is 0.1821p net lifting the total from 0.36935p to 0.3898p.

Marginal halfway fall for Phoenix

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PRE-TAX PROFITS for the first half of 1975 of Phoenix Assurance Company were £7.21m., including Century Insurance, and are marginally down on profits for the same period last year of £7.29m. Excluding Century, pre-tax profits this time are £7.2m.

After tax of £2.35m. and minority interests of £1.29m., net profits for the half-year are £3.57m. against £3.84m. Earnings per 25p share are shown at 7.61p, compared with 14.27p for the year 1974.

A quarterly analysis of the results shows that the second quarter figures improved considerably on those for the first three months. Profits before tax and minorities for the second quarter were £4.35m., compared with £2.86m. for the first quarter. But the directors emphasise that the interim figures cannot be taken as a reliable guide to results for the full year.

The interim dividend, on capital increased by the June rights issues, is raised from 3.702p to 3.727p net. A total of at least last year's 8.2286p has been forecast.

General business premiums, now including Century's, increased to £125.91m. Excluding Century, the rate of growth in the general business was 19 per cent.

Group investment income, excluding the Century Insurance contribution, was up by 28 per cent. to £9.38m. Including Century, investment income for the first six months was £10.87m. The directors point out that the proceeds of the rights issue were not available for investment until after June 30.

Underwriting results showed a loss on the general account of £3.95m. compared with the loss of £8.77m. for the whole of last year. Excluding Century, the loss this time is £2.53m.

The directors say that the U.S. is showing a loss of £1.4m. for the half-year, compared with the loss of £1m. for the same period last year.

In Australia, a marked deterioration in workers' compensation business is the principal cause of an underwriting loss (including Century) of £3m. Remedial measures there have been reinforced.

The Canadian result is a modest profit, thus maintaining the improvement evident in the earlier months of the year. Century's business in Canada is still unprofitable.

Fire and accident business in the U.K. was profitable overall but the motor and the liability classes remain difficult. There is little change in the results of the group's European operations outside the U.K. and Ireland and a satisfactory profit has emerged.

Due to losses brought forward from previous years in a subsidiary company, it is anticipated that the actual tax charge for the full year will be lower than the standard rate of 52 per cent.

Statement, Page 22
See Lex

Upturn at Marshall, Morgan

First half 1975 pre-tax profit of publishers Marshall, Morgan and Scott advanced from £105,000 to £133,000 and the chairman, Mr. T. A. Maher, expects a "satisfactory" outcome to the full year. Last year's profit amounted to a record £878,000.

To reduce disparity the interim dividend is being raised from 0.7p to 1.5p net. The directors propose to declare the maximum permitted for the year of 4.16p, compared with 3.9p in 1974.

Mr. Maher points out that because of the seasonal nature of the business, the major part of the year's profits are earned in the second half.

	Half year 1975 £000	Half year 1974 £000	Year 1974 £000
Group turnover	4,629	4,126	11,614
Trading profit	175	172	1,039
Interest	42	67	161
Profit before tax	133	105	878
Tax	69	[illegible]	414
Profit after tax	64	57	464
Dividends	[illegible]	28	118

Amber Day increases by £0.1m.

COMPARED with a forecast improvement in results, profit before tax of clothing manufacturers Amber Day Holdings was £0.85m. for the year to April 30, 1975, against £0.75m. for the previous 12 months, after £0.43m. (£0.38m.) in the first half.

The current year has started well with improved sales and a good order book, say the directors. Liquidity is strong and they are confident that further progress will be shown this year.

After allowing for share conversion, stated earnings per 10p share on a nil distribution basis are up from 8.3p to 7.37p. A final dividend of 0.65242p net—the maximum allowed—raises the total from 1.2927p to 1.37952p.

	1974-75 £	1973-74 £
Turnover	11,982,424	9,649,638
Pre-tax profit	846,343	751,082
Taxation	485,090	396,058
Profit after tax	356,253	355,024
Extra-ord. debit‡	—	27,374
Dividends	92,515	92,452
Retained	265,738	235,198
Forward	873,843	607,305

‡ Includes prior year adjustments.

● comment

A steady advance throughout the year from Amber Day has left full year sales and pre-tax profits ahead by 24 per cent. and 12½ per cent. respectively—a result similar to Raybeck last week. Manufacturing for mail order and multiple retailers (including Marks and Spencer) grew faster last year than the retailing operation, and moved ahead to account for more than half of profits. This is probably due to the increasing attractiveness to consumers of mail order credit facilities and the price competitiveness combined with quality of the multiples, since fashion retailing, though supported by the spending powers of the young and tourists, is losing some ground. The balance sheet, meanwhile, shows borrowings marginally higher against shareholders' funds, due to the increase in loans for purchase of the factory site at Bury for £125,000. It is tempting to draw a parallel between the larger Raybeck and Amber Day, though the latter's yield at 32p is more than a couple of points lower at 6¾ per cent. on the Ordinary; yet if Amber does no more than follow the pattern of Raybeck the future could be promising.

GALLAHER

Gallaher, announces that, at the close of business on September 10, it had purchased for cancellation £8.04m. 6 per cent. loan stock 1976-81 and £8.77m. 6 per cent. loan stock 1983-85, being 87 per cent. and 88 per cent., respectively, of the total amounts in issue before the company commenced purchasing the stocks on August 13.

In accordance with the letter sent to stockholders on August 27 the company has now discontinued its programme of stock purchases.

City & Comm. Trust

Pre-tax revenue of City and Commercial Investment Trust increased from £254,160 to £281,263 for the half year to July 31, 1975, payable September 30, after expenses and interest of £27,390 (£19,882).

Tax takes £95,904 (£83,304) leaving £185,272 (£170,856.

The interim dividend is lifted from 0.723p to 0.764p net. Last year's total was 1.333p per 25p share from a net revenue of £315,009.

Net asset value per £1 capital share is 107.5p.

INTERIM STATEMENTS

THE EXPANDED METAL COMPANY LIMITED

INTERIM STATEMENT (Unaudited)
Half year to 30th June, 1975

	1975 £000	1974 £000	Decrease
Turnover	8,417	9,038	6.9%
Profit before tax	1,109	1,228	9.7%
Tax	576	638	
Profit after tax	533	590	
Preference dividend	2	2	
Available ordinary	531	588	9.7%
Interim 5%	191	170	
Retained	340	418	

An Interim Dividend of 5% (1974—4.5%) has been declared payable on 31st October, 1975, to members registered on 3rd October, 1975. Under present legislation the maximum permitted dividend for the year is 10.99% (1974—10.27%) and this limits the final dividend to a maximum of 5.99%.

Business conditions in the first half of the year both in home and overseas markets have been more competitive and many of our customers have been de-stocking extensively and this has affected the volume of sales for some of our products.

Our performance in the remainder of the year will depend upon general economic circumstances, although there are some signs of increasing volume. The Group is in a strong financial position and is well placed to exploit any growth opportunities that can be created.

♦Expamet

INTERIM STATEMENTS

Guardian Royal Exchange Assurance

Interim Statement

The Directors have declared an interim dividend in respect of the year 1975, to be paid on the 5th January, 1976, of 3.5p per share (1974, 3.3p per share) which, with the tax credit available to eligible shareholders, is equivalent to 5.384615p per share gross (1974, 4.925373p per share gross). The interim dividend will be paid to holders of Ordinary shares whose names appear on the Register on the 24th November, 1975.

The unaudited results for the first half-year are:—

	First 6 Months 1975 £m	First 6 Months 1974 £m	Year 1974 £m
Premiums Written			
Fire, Accident and Marine	212.5	180.4	368.5
Investment Income	20.3	16.5	36.7
Profits on Property and Estate Development Companies	0.3	—	—
	20.6	16.5	36.7
Less Interest Paid	2.4	2.2	4.5
	18.2	14.3	32.2
Profits			
Life	1.8	1.6	3.7
General	2.0	(0.8)	(7.5)
Profit before taxation	22.0	15.1	28.4
Less Taxation and Minority Interests	11.2	7.4	14.9
Net Profit	10.8	7.7	13.5
Dividend Cost			
Preference	0.1	0.1	0.2
Ordinary	4.4	3.3	7.8

Investment income at 30th June, 1975 has had some benefit from the increase in capital in April, 1975 and also from a satisfactory cash flow. The property and estate development companies are recovering and are likely to make a modest contribution to profit in 1975. Short term business has so far not been affected by major claims on the scale experienced throughout 1974 but the effect of the high rates of inflation in this country and in many parts of the world still causes problems. Overall trading in the U.K. has been satisfactory and Australia has shown a welcome improvement; conditions in Germany and Canada remain over-competitive but most other overseas territories have achieved good results.

The marine and aviation market is, as forecast, going through an unprofitable period and regrettably too many underwriters still seem willing to accept business at uneconomic rates.

Life business, despite the current economic conditions, has developed well and the new business figures are:—

	First 6 Months 1975 £m	First 6 Months 1974 £m	Year 1974 £m
New Sums Assured	945.7	747.3	1,593.4
New Annuities per annum	15.4	15.0	35.3
New Annual Premiums	13.6	12.2	24.3
New Single Premiums	6.1	15.5	22.5

Guardian Royal Exchange Assurance Limited
Royal Exchange, London EC3V 3LS

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or —	Div. or Amount	Times covered	Gross Yield	P/E Ratio
$108	F.P.	—	£77	£76	Brazilian Inv. S.A.	£76	......	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or —
¶¶	F.P.	21/8	93	85	Adwest Grp. 10% Cnv. 95/2000	87	+1
A**£98	£10	17/10	10	9½	Bristol Water 9% Red Pref 1980	10	......
£100	F.P.	—	100⅛	99¼	CSR 9½% Notes 1980	100⅛	......
£100	£50	—	49½	44	Ciba Geigy (G.F.S.) 8½% Gtnr. Ln. 1982/85	44	......
£98½	£10	—	10⅝	10	City of Liverpool 13¼% Stk. 1981	10½	......
£99	F.P.	5/9	101½	98	Clayton Dewandre 10% Deb. 90/5	101½	......
£98½	£10	5/12	11¼	9½	Derby Borough Council 13¼% Stk. 1982	10½	......
£21	F.P.	9/9	100¼p	95p	Fodens 10% Cnv. Red Cum Pref.	95p	......
£100	£50	23/10	58¼	52	Hoechst 10% Gnar. Ln. 1990	54¼	......
¶¶	F.P.	—	108p	94p	Johnson&Firth Brown 11.05%Cm. Conv.Prf	108p	......
‡£100	£40	22/8	61	45½	Land Secs 10% Conv. 90/5	58½	......
£99	F.P.	26/9	109¼	97	Newcastle & Gate 9% Red. Prf. 1980	98¼	......
—	F.P.	—	100	99	Schlesinger Int. Fd. (Jersey) Part Red Pref	100	......
¶¶	F.P.	29/8	108½	98¼	Whitbread 11% Conv. 1995	105	+1¼

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date †	Latest Renunc. Date ‡	Stock	Closing Price p	+ or —
2.80	Nil	—	—	Abercom Invs.	23pm	......
181½	F.P.	13/8	10/9	Adams Foods	18	......
68	Nil	—	—	BPB Ind.	44pm	+1
46	F.P.	7/7	10/9	BOC Intl.	47	......
90	F.P.	22/8	17/10	B.T.R.	142½	+½
Is£1.25	F.P.	4/9	1/10	Bank Leumi le Israel BM	25	
10	F.P.	5/9	26/9	British Car	29½	+1
66	F.P.	4/9	3/10	Chubb & Son	89	+8
36	F.P.	22/8	19/9	Clayton Dewandre	36	......
25	F.P.	27/8	26/9	Crellon	30	......
41	F.P.	22/8	19/9	Crossley Building	50	......
55	F.P.	21/8	16/9	Davy Intl.	100	—1
27	Nil	12/9	3/10	Dixons Photo	13pm	—2
27	Nil	12/9	3/10	Do. A	13pm	—3
72	F.P.	30/7	28/8	Dunbee-Combex-Marx	137	—2
25	F.P.	15/8	19/9	Empire Stores	75	......
38	F.P.	29/8	3/10	Howard Machinery	41	+2
48	F.P.	15/8	16/9	Law Land	55	......
[illegible]	F.P.	30/7	15/8	Legal & General	111	......
128	F.P.	15/8	19/9	McCorquodale	175	......
32	F.P.	20/8	2/10	Morgan Edwards	44	......
41	Nil	—	—	Norcros	15½pm	—½
25	F.P.	5/9	3/10	Normand Elect.	28	......
78	F.P.	25/8	19/9	Royal Worcester	115	+1
50	Nil	—	—	Sangers Group	13pm	......
40p	F.P.	26/8	23/9	Scottish & Newcastle Brewery	54½	+1
10	F.P.	28/7	12/9	Senior Engineering	15¼	......
80p	F.P.	15/7	12/9	Siebe Gorman	144	+4
170	F.P.	3/8	3/10	Tate & Lyle	206	+5
38	F.P.	15/8	12/9	Westland Aircraft	46½	+½
13½	Nil	12/9	3/10	Woodhouse & Rixson	13pm	+½

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital: cover based on dividend on full capital. p*** Pence unless otherwise indicated. x Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. * Offered to holders of Ordinary shares as a "rights." ¶ 30 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ● Reintroduced. :: Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. § Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. § With warrants.

INTERIM STATEMENT

PHOENIX ASSURANCE COMPANY LIMITED

Interim Statement

ESTIMATED RESULTS TO 30th JUNE 1975

The following are the estimated and unaudited results of the Phoenix group of companies for the six months ended 30th June 1975. The comparative figures exclude The Century Insurance Company Ltd and its subsidiaries (acquired on 31st December 1974). Audited results (excluding Century) are shown for the full year 1974. It is again emphasised that interim figures cannot be taken as a reliable guide to results for the full year.

	Including Century 6 months to 30.6.75 £'000	Excluding Century 6 months to 30.6.75 £'000	Excluding Century 6 months to 30.6.74 £'000	Excluding Century Year 1974 £'000
Net premiums written: Fire, accident, marine and aviation	125,911	105,358	88,592	174,497
Investment income	10,870	9,375	7,315	16,413
Underwriting profit:				
Fire, accident, marine and aviation	–3,951	–2,529	–455	–6,772
Long-term	726	726	696	1,452
	7,645	7,572	7,556	11,093
Less expenses not charged to other accounts	433	373	266	415
Profit before tax	7,212	7,199	7,290	10,678
Less tax	2,349	2,176	2,317	3,712
	4,863	5,023	4,973	6,966
Less minority interests	1,293	1,293	1,135	1,129
Net profit	3,570	3,730	3,838	5,837
Earnings per share	7.61p			14.27p

Note: Overseas currency transactions have been converted at rates of exchange appropriate to the periods in question. In converting US dollar transactions for the 6 months to 30th June 1975 a rate of $2.19 has been used ($2.39 for the 6 months to 30th June 1974 and $2.34 for the year 1974).

General business premiums now including Century exceed £125 million; excluding Century the rate of growth is 19%.

Group investment income excluding Century is £9.4 million (£7.3 million), an increase of 28%, and including Century amounts to £10.9 million. The proceeds of the recent rights issue were not available for investment until after 30th June.

Fire and accident business in the United Kingdom is profitable overall but the motor and liability classes remain difficult. The United States is showing a loss of £1.4 million at 30th June 1975 by comparison with a loss of £1.0 million for the first six months of 1974. The Canadian result for Phoenix is a modest profit, thus maintaining the improvement evident in the earlier months of the year; Century's business in Canada is still unprofitable. In Australia a marked deterioration in workers' compensation business is the principal cause of an underwriting loss (including Century) of £3.0 million for the six months; remedial measures have been reinforced. There is little change in the results of the group's European operations outside the United Kingdom and Ireland and a satisfactory profit has emerged. Marine and aviation business continues to be affected by rating inadequacies.

NEW LONG-TERM BUSINESS

	6 months to 30.6.75 £m	6 months to 30.6.74 £m	Year 1974 £m
New sums assured	364	358	853
New annuities per annum	2.9	2.6	11.7
New annual premiums	4.1	3.8	8.4
New single premiums	1.0	1.4	2.3

Note: The whole of Century's long-term business is reassured and therefore forms no part of the above figures.

DIVIDEND

The directors have declared an interim dividend of 3.727p per share payable to members on the register at the close of business on 28th November 1975. If the tax credit available to eligible shareholders of 2.007p per share is added this is equivalent to 5.734p per share compared with 5.5253p per share for 1974. This represents the maximum percentage increase permitted for the full year as applied to the interim dividend, after taking account of changes in the issued share capital and the increased rates of taxation imposed by the most recent Finance Act.

10th September 1975

GRE ahead by £6.9m. in first six months

IN THE six months ended June 30, 1975 profits, before tax, of **Guardian Royal Exchange Assurance** increased by £6.9m. to £22m., reflecting higher investment income—up from £16.5m. to £20.3m.—and a turnround from a loss of £0.8m. to a profit of £2m. on general underwriting.

The directors point out that investment income has had some benefit from the increase in capital in April, 1975, and also from a satisfactory cash flow. The property and estate development companies are recovering and are likely to make a modest contribution to profit in 1975.

Short-term business has so far not been affected by major claims on the scale experienced throughout 1974 but the effect of the high rates of inflation in the U.K. and in many parts of the world still causes problems.

Overall U.K. trading has been satisfactory and Australia has shown a welcome improvement: conditions in Germany and Canada remain over-competitive but most other overseas territories have achieved good results, members are told.

The marine and aviation market is, as forecast, going through an unprofitable period and the directors feel that too many underwriters still accept business at uneconomic rates.

The net interim dividend is 3.5p (3.3p). For 1974 a total of 7.75324p was paid from taxable profits of £28.4m.

	First half 1975 £m.	First half 1974 £m.
Premiums written	212.5	180.4
Investment income	20.3	16.5
Property, etc., profits	0.3	—
Interest paid	2.4	2.2
Life profits	1.3	1.6
General profits	2.0	*0.8
Profit before tax	22.0	15.1
Tax and minorities	11.2	7.4
Net profit	10.8	7.7
Preference dividend	0.1	0.1
Ordinary	4.4	3.3

* Loss.

Life business, despite the current economic conditions, has developed well and the new business figures are:—new sums assured £945.7m. (£747.3m.); new annuities per annum £15.4m. (£15.0m.); new annual premiums £13.6m. (£12.2m.); and new single premiums £6.1m. (£15.5m.).

Statement, Page 21
See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends considered are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims:—Biddle Holdings, Breedon and Cloud Hill Lime Works, Camrex, Carpets International, Dickinson Robinson Group, James Fisher, Hepworth Ceramic, Lead Industries, Manchester Liners, Portals, Richards and Wallington, Royal Dutch Petroleum, Francis Shaw, Shell Transport and Trading, Wilson (Connolly).

Finals:—Estates Property Investment, Free State Geduld Mines, Free State Saaiplaas Gold Mining, Galliford Brindley, Harmony Gold Mining, London Merchant Securities, Mills and Allen International, Peters Stores, President Brand Gold Mining, President Steyn Gold Mining, Welkom Gold Mining, Western Holdings, Wood Bastow.

FUTURE DATES

Interims:—	
Clifford (Chas.) Industries	Sept. 15
Fisons	Sept. 29
Grindlays	Sept. 16
Harris and Sheldon	Sept. 18
Mendip Investment	Sept. 17
Rosedimond Investment Trust	*Sept. 18
Tilling (Thos.)	Sept. 17
Unicorn Industries	Sept. 15
Finals:—	
Gallenkamp (A.)	Sept. 18
Greaves Organisation	Sept. 19
H.T.V.	Sept. 18
Nelson (David)	Sept. 12
Telefusion	Sept. 15

* Amended.

London Atlantic Trust

Gross revenue of **London Atlantic Investment Trust** amounted to £403,859 and net revenue, after all charges including taxes, was £226,655 for the year to June 30, 1975, equal to 1.99p per share. This compares with gross revenue of £522,111 and net revenue of £286,638 (2.51p per share) for approximately 15 months to June 30, 1974.

The valuation of investments was £5.76m. including the full investment currency premium of £738,634. This gives a net asset value of 48.8p per share (39.8p).

A final dividend of 1p net per 25p share makes a total for the year of 1.75p, compared with 1.65p on an annualised basis for the period ended June 30, 1974.

A surplus of £27,057 (£52,784) has been transferred to revenue reserve.

Newey hit by £0.16m. provision

ON SALES up from £5.81m. to £6.01m. profit of Newey Group (formerly Newey and Tayler), Birmingham-based pins, fasteners, hair goods, habedashery and metal products concern, fell from £414,000 to £91,000 in the first half of 1975, before tax of £72,000 (£180,000).

Profit is struck after providing £155,000 for losses on newly-formed and acquired subsidiaries. The directors report that the anticipated sales volume was hit by the world-wide economic recession, particularly in the U.K. which, allied to "vast increases in overhead charges," has produced a consequential downturn in profit.

The Board has "the strongest confidence in the group's long-term future" but in view of the economic situation will wait until the full-year's figures are available before deciding on the payment of an Ordinary dividend. Last year, there was a 3.77p interim and a 7.99p net total, paid on a pre-tax profit of £972,000.

Sales to the U.S. increased by 50 per cent. and results from overseas "are expected to show substantial improvements especially from the new Malaysia subsidiary," says chairman Mr. M. Newey, while both South Africa and Spain report improvement in profitability.

The effects of the unemployment situation and the depressed sales markets at home mean the immediate future in the U.K. appears uncertain.

BIDS AND DEALS

GLENHIND BUYS BIBA COSMETICS

Biba Cosmetics, the independent subsidiary of Biba, has been acquired by Glenhind.

The total consideration in cash and realisable assets is £456,000 and includes in addition to the purchase of the cosmetics companies as going concerns, the granting of an exclusive licence for the use of the Biba name and all Biba trade marks.

MUIRHEAD

Muirhead, the Beckenham electronics engineering group, has concluded an agreement through its Muirhead-Vactric Division with Malivor, SA., France, and Malivor Iberica, SA, Spain. The deal allows Muirhead to enter the heavy end of the control motor field by marketing the Malivor range of low inertia industrial d.c. motors for the first time in Britain.

SUREGAIN —DOWGATE

Lazard Brothers and Co., as agents for Northern Bank Development Corporation, announce that acceptances of the offers, made on behalf of Suregain Securities, for the Ordinary and Preference shares of Dowgate and General Investments, have been received in respect of 11,320,423 Ordinary in Dowgate (75.2 per cent. of the issued capital) and 78,372 6 per cent. cumulative Preference shares (47.7 per cent. of the capital).

The Board of Suregain, following fulfilment of the other condition of the Ordinary offer, have declared both offers unconditional. They remain open until further notice.

Cheques will be posted on September 15, 1975, to those shareholders whose acceptances received by Lazards by September 7. Cheques in respect of valid acceptances received after that date will be posted in accordance with the provisions of the offers. Dowgate warrant holders are reminded that, to be valid, their proxy cards should be received by Lazards by 11.30 a.m. on September 13. Warrant certificates should be returned with proxy cards.

LESLIE & GODWIN EXPANDS

Following their philosophy of expansion, Leslie and Godwin (Holdings) has purchased McDonough and Boland, Dublin insurance brokers, through Leslie and Godwin (Ireland). The vendor is Braids.

GRAFF PURCHASE

Graff Diamonds proposes to acquire Commercial Land Equity, a wholly-owned subsidiary of Sandstar, a company whose capital is owned by Mr. Laurence Graff, the chairman of Graff, and his wife.

Consideration is £100 and repayment of the loan made to Commercial Land of £259,900 by Mr. Graff.

Graff's chairman says that despite the current economic climate, trading continues at a satisfactory level. For commercial reasons the company has extended its financial period to June 30 and it is anticipated that the annual report and accounts will be available by November.

Guinness Peat setback

TRADING turnover for the year to April 30 1975 of Guinness Peat Group expanded from £259.91m. to £309.67m. but taxable trading profits fell from £6.31m. to £5.57m.

After tax, banking profits, net loan stock interest, and minority interests, the net profit was down from £3.66m. to £2.76m. Basic earnings are shown to have decreased from 20.28p to 14.77p per 25p share and fully diluted from 16.79p to 12.74p.

The dividend is lifted from 7.11p to 7.6225p net with a final of 5.6225p. Ordinary dividends cost £1.45m. (£1.25m.) and Preference £13,000 (same).

	1974-75 £000	*1973-4 £000
Trading turnover	309,672	259,913
Trading profit	5,569	6,305
Broking, etc.†	3,497	4,978
Associates	2,072	1,327
U.K. tax	1,990	1,919
Overseas tax	584	863
Net profit	2,683	3,523
Profit on banking‡	929	919
Net loan stocks interest	518	516
Minority interests	334	371
Balance	2,761	3,655

* Adjusted for disposal of Thomas Linnell and Sons. † Includes trading, merchanting, processing and insurance divisions. ‡ After provision for tax and transfers to contingency reserves from which provision has been made for any diminution in value of assets.

The directors confirm that the group's various international broking and trading activities have been maintained at a high level despite continuing uncertainties in the world's economic and monetary affairs.

The profit includes compensation received on leaving Plantation House, less residual expenditure written off, amounting to £654,000. The move to St. Mary at Hill caused interruption to the continuity of certain activities and for a period profitability was reduced considerably. It is considered that the total cost of the move was only to some extent made good by the compensation.

The bank's building in Gracechurch Street has been let at an annual gross rental of £775,000 from April 5 1975.

The directors believe that the future can be viewed with confidence.

See Lex

Marston's sales growth

Exceptionally favourable weather since May has assisted sales of brewers, wine and spirit merchants Marston Thompson and Evershed, but the chairman, Sir Clifford Gothard, stresses that the underlying national economic position could offset any advantage obtained if a difficult employment situation is experienced in the winter.

The policy of steady development of properties and the acquisition of new ones has continued. In addition to a number of major improvements to existing properties, two further houses have been acquired and two completely re-built houses have re-opened.

Recently three new ... obtained in developing are...

However, it is becomin... sary to slow down and ... amount of finance which ... allocated for new buildi... property improvements ... of the cash resources wi... quired to meet the highe... stock, excise duty and ... capital.

There is a programme of ... work on properties and ... the order of £1m. which ... met from short-term cash ... accumulated over past ... anticipation of such expe...

As reported on July 12 ... profit for the year to ... 1975, was £2.22m. (£1.3... the dividend is 1.3963p ... net. External sales expand... £10.63m. to £13.18m.

In spite of every effort ... tain costs it was possible ... the permitted price incre... recover them in part, ... Sir Clifford.

At March 31 Whitbread's ... ment held 33.2 per cent ... equity.

Zetters turns in £0.57m.

PRE-TAX PROFIT for the ... to March 31, 1975, of ... Group decreased marginall... £576,148 to £571,252 after ... half contraction from £25... £218,790.

Earnings per 5p shar... shown at 4.31p (4.37p) ... dividend is a maximum per... 0.946p net (0.8865p).

The group has a strong ... position which the di... intend to use in the bingo ... where they believe the... future prospects for grow...

While having confidence ... future, they find it diffi... forecast profits for the c... year in view of the con... high inflation and ... economic circumstances.

	1974-75 £
Football stakes	[illegible]
Winners and Tax	[illegible]
Balance	[illegible]
Bingo turnover	[illegible]
Total turnover	[illegible]
Profit before tax	[illegible]
Taxation	[illegible]
Net profit	[illegible]
Dividend	[illegible]
Retained	[illegible]

£2m. LLOYD'S PL...

A £2m. plan to redesig... central accounting ... system of Lloyd's of Londo... international insurance ... has been approved by the ... mittee of Lloyd's.

The project is expected t... five years to complete, ... part of the system will b... mented by 1978.

RICHARDS OF SHEFFIELD

Manufacturers of:

Cutlery, Hand Tools, Pocket Knives, Scissors, Stainless Steel Tableware

CONTINUED GROWTH

Financial Highlights

From statistical information contained in Annual Report

Year ended 31 March	1975 £	1974 £
Turnover	2,128,198	1,762,47[illegible]
Profit before taxation	566,356	438,73[illegible]
Profit after taxation	284,338	196,86[illegible]
Return on net assets employed	34.3%	29.6%
Earnings per 10p share	3.1p	2.1p
Dividend paid per 10p share	1.017p	0.957p
Net asset value per 10p share	18.7p	15.2p

Extracts from statement of Mr. W. Muller, Chairman:

- * Pre-tax profit 30% higher than last year.
- * Further increase in exports, now 43.2% of the company's total sales.
- * Strong current position, continuing high demand for products, particularly in overseas markets.

Registered Office: 55 Moore Street, SHEFFIELD S3 7UT

Notice of Redemption

Transocean Gulf Oil Company

9% Guaranteed Debentures Due 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of October 15, 1970, under which the above-designated Debentures are issued, $491,000 aggregate principal amount of such Debentures of the following distinctive numbers has been drawn by lot for redemption on October 15, 1975 (herein sometimes referred to as the redemption date):

$1,000 Coupon Debentures Bearing the Prefix Letter M

11	783	1832	2946	3951	5279	6242	7308	8477	9895	11617	12914	14178	15113	16200	17384	18537	19513
39	786	1921	3038	3970	5328	6243	7383	8491	9912	11652	12924	14190	15225	16201	17397	18631	19522
53	810	1927	3086	4027	5369	6275	7526	8493	9953	11688	13036	14284	15328	16248	17512	18648	19616
137	850	1933	3108	4028	5398	6304	7585	8532	10034	11710	13047	14298	15332	16260	17656	18697	19646
190	858	1936	3125	4033	5424	6309	7609	8553	10133	11735	13064	14306	15358	16276	17694	18730	19657
231	882	1958	3130	4058	5444	6331	7611	8557	10165	11770	13076	14311	15371	16300	17752	18757	19672
257	927	2026	3151	4218	5449	6413	7634	8577	10167	11830	13078	14346	15388	16340	17783	18794	19723
261	953	2051	3160	4237	5564	6419	7641	8607	10189	11873	13092	14365	15389	16344	17816	18795	19879
271	1000	2093	3174	4312	5565	6425	7645	8731	10205	11907	13138	14383	15421	16345	17845	18824	19886
276	1050	2183	3188	4436	5616	6474	7680	8770	10248	11995	13167	14472	15433	16378	17886	18837	19918
284	1143	2220	3195	4438	5630	6564	7697	8939	10260	12034	13269	14475	15536	16416	17911	18863	19925
353	1144	2338	3337	4500	5720	6571	7801	9032	10352	12106	13325	14494	15547	16447	17912	18881	19933
371	1243	2401	3356	4514	5760	6602	7808	9041	10394	12115	13422	14525	15719	16493	17944	18965	19947
443	1251	2413	3412	4572	5790	6631	7890	9045	10406	12146	13437	14551	15764	16542	17972	19001	19990
450	1310	2416	3423	4610	5796	6662	7911	9101	10438	12165	13451	14593	15775	16565	18017	19010	19999
494	1434	2422	3426	4638	5812	6717	7913	9216	10481	12226	13468	14626	15815	16608	18063	19069	
524	1438	2459	3447	4728	5870	6757	7959	9441	10493	12254	13496	14648	15858	16625	18129	19127	
525	1460	2496	3453	4824	5908	6807	7972	9452	10528	12293	13580	14730	15863	16679	18132	19138	
546	1473	2526	3474	4901	5946	6902	8043	9479	10594	12312	13605	14767	15900	16694	18159	19224	
586	1502	2611	3502	4914	5947	6952	8052	9522	10628	12322	13636	14852	15903	16722	18172	19246	
591	1546	2640	3615	4931	5970	6962	8138	9555	10633	12437	13708	14903	15940	16736	18210	19252	
633	1564	2704	3719	4939	6104	6990	8151	9565	10636	12473	13802	14910	15953	16795	18228	19254	
654	1671	2736	3796	4956	6110	7063	8169	9650	10642	12513	13934	14911	15979	16855	18279	19356	
681	1682	2744	3820	4964	6111	7073	8175	9719	10802	12675	13960	14939	16115	16906	18378	19360	
686	1687	2842	3826	5009	6132	7095	8215	9736	10820	12773	14143	14977	16139	16916	18413	19382	
687	1698	2882	3834	5052	6189	7163	8249	9841	10846	12786	14144	15000	16151	17159	18443	19403	
747	1711	2896	3877	5211	6215	7202	8397	9845	10862	12911	14153	15005	16164	17252	18486	19462	
759	1783	2933	3932	5267	6226	7207	8465	9852	10868	12912	14159	15099	16195	17331	18506	19481	

The Debentures specified above are to be redeemed for the Sinking Fund (a) at the Corporate Bond Services Department of First National City Bank, Trustee under the Indenture referred to above, No. 111 Wall Street, in the Borough of Manhattan, the City of New York, or (b) subject to any laws or regulations applicable thereto, at the main offices of First National City Bank in Amsterdam, Frankfurt/Main, London (Citibank House), Milan, Paris, Zurich and First National City Bank (Belgium) S.A., and Kredietbank S.A., Luxembourgeoise in Luxembourg. Payments at the offices referred to in (b) above will be made by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City, on October 15, 1975, the date on which they shall become due and payable, at the redemption price of 100 percent of the principal amount thereof, together with accrued interest to the date fixed for redemption. On and after the redemption date, interest on the said Debentures will cease to accrue, and, upon presentation and surrender of such Debentures with all coupons appertaining thereto maturing after the date fixed for redemption, payment will be made at the said redemption price out of funds to be deposited with the Trustee.

Coupons due October 15, 1975 should be detached and presented for payment in the usual manner.

Transocean Gulf Oil Company
By: FIRST NATIONAL CITY BANK, as Trustee

September 11, 1975.

هكذا من الأصل

Wm. Collins holds first half profit at £1.57m.

A turnover 31 per cent. ahead £19.2m., profits of William ins and Sons (Holdings), the ishing group, showed a ginal improvement from 5m. to £1.57m. in the first of 1975, after heavier interest 567,000, against £240,000.

hairman Sir William Collins re s that in the face of many ket difficulties a greatly in sed turnover was achieved in U.K. and despite the continued eases in costs and price re ints, profits have been main ed.

he U.S. subsidiary reduced its from £312,000 to £27,000. In tralia and New Zealand profits down, due primarily to move its in rates of exchange.

he new distribution centre at hopbriggs is now in operation the move of the printery is er way. There has been the imum of disruption and bene should be seen in 1976. The v major expenditure item out ding is the completion of the Bishopbriggs office block, ch is due towards the end of 6.

emoval costs, estimated at 5,000, will be charged in the ond half, when the gain of 0,000 on the sale of the London ribution warehouse will also reflected, explains the chair n.

By the end of 1976 we shall e one of the most modern book nufacturing and book distribu units in the world." Although this development has necessitated heavy borrowings, Sir William says it does mean that with the group's strong publishing list "we will be very well placed to compete in world markets."

Prospects for the immediate future depend largely on the group's ability to maintain sales volume and on the success of the Government's counter-inflation programme.

The net interim dividend is unchanged at 1.6p per 25p share. For 1974 a total of 3.48p was paid from profits of £3.09m.

	First half 1975	1974
	£000	£000
Group turnover	19,222	14,703
Trading profit	2,383	2,046
Depreciation	391	397
Leaving	1,974	1,681
Invest. income and interest	32	25
Interest paid	567	240
Share of associates	133	96
Profit before tax	1,574	1,536
Estimated tax	918	796
Net profit	738	727

The chairman points out that the group has now taken up the £5m. five-year term loan referred to in the 1974 report. Total current borrowings at this, the group's peak financing period, are just over £13½m. and have been kept at this level through careful control of our investment in stocks and debtors. Borrowings should be lower than this figure at the end of the year.

● comment

A 136 per cent. jump in William Collins' finance charges has trimmed the growth in first half profits to just 2½ per cent. pre-tax, against a 15 per cent. gain at the trading level. Total borrowings have risen to around £13½m. (since the £9½m. shown in the end-1974 balance sheet), following negotiation of a £5m. five-year loan in the first six months of the year. Much of this debt is linked to the group's £15m. re-building programme at the Glasgow headquarters but it also reflects working capital requirements which are currently shooting ahead. The re-building programme is now reaching completion and by the year-end these borrowings should be much closer to the 1974 level. Furthermore, since the second half of 1974 was already suffering the effects of the economic recession the group, which is now benefiting more fully from its recent acquisitions, should have little difficulty in returning an unchanged pre-tax total for the current year. That would cover a dividend, yielding just over 7 per cent. at 78p, three times.

SCOTTISH AMICABLE

Scottish Amicable Life Assurance Society announces substantial growth in new business in the U.K. during the first half 1975.

New annual premiums were £5.5m. (£3.9m.), and new sums assured £180m. (£122m.).

INTERIM STATEMENTS

MINING NEWS

هكذا من الأصل

Tara still has a sorry Navan tale to tell

BY LESLIE PARKER, MINING EDITOR

THE MISERABLE saga of the big Navan zinc find in Ireland by Canada's Tara Exploration company [ ] presses on towards an indefinite prolongation which must every day add more to its cost and denude its eventual profitability.

Found in 1970 the property remains in the limbo thanks to a variety of factors chief among which is the Irish Government's procrastination in granting a mining lease. Its potential terms, with which all the companies involved were far from happy, were announced last February. But the Government has still not actually issued the lease.

In the meantime, Tara's expenses pile up. In the interim report to June 30 last the bank loan has grown from $5.8m. to $8.9m. in the year to that date with a resultant rise in the half-year interest charge from $0.13m. to $1.2m. On the other hand, reflecting the shut-down of the opening up operations in August of last year as a result of the original lease terms proposed by the Government, expenditure on mine development and administration has dropped from $8.29m. to $1.25m. At June 30 there was a working capital deficiency of $0.63m.

The financial problem must necessarily remain acute until the Government at last gets round to granting the lease. Until then there is no way in which Tara and its powerful partners can go ahead with the raising of the necessary funds to take the mine to a production date which is now inevitably well stretched out into 1977 from the late-1975 target which was originally envisaged.

The partners involved are Canadian mining houses Cominco and Noranda, London's Charter Consolidated and Pat Hughes' Irish-Canadian Northgate Exploration group which between them hold some 90 per cent. of the Tara equity. Even by contrast with some prime examples in Australia, notably the Northern Territory uranium ventures there, the Navan zinc deposit must be outstanding as an instance of the way in which government intervention can denude the value of a find not only for the discoverer thereof, without which it would in any case be worthless, but also for the tax payer.

As one formerly active Irish explorer said yesterday, in these circumstances why should I risk my money? Why indeed?

URANIUM SEARCH IN AMERICA

A joint exploration venture for uranium is announced by France's Pechiney Ugine Kuhlmann and Japan's Mitsubishi and Sumitomo in the American states of Washington and Idaho, Robert Mauthner reports from Paris.

Prospecting is expected to take three to five years with an initial budget of between $0.3m. and $0.4m. Pechiney's contribution is its experience in mining exploration especially for uranium. The Spokane area is the prime target.

This is the second Franco-Japanese uranium prospecting agreement signed during the past year. The other aims at bringing the Akouta mine in Niger to production by 1980.

ANGLO TRUST'S YEAR CHANGE

The Anglo American group's diamond share holding company Anglo American Investment Trust is altering its year-end from December 31 to March 31 so that it can in future reflect in its accounts the accrual of dividends from De Beers for that company's calendar year instead of the final for the previous year and the interim for the current period.

Nominally, this will bring three De Beers dividends into Anglo Trust's next 15-month accounts but the latter's distribution policy will not thereby be affected. The 1975 interim of 95 cents is unchanged. It came out of earnings of 189 cents a share. The total payment of 290 cents for 1974 was from earnings of 294 cents. Yesterday Anglo Trust were £22½. De Beers were unchanged at 295p.

MT. NEWMAN IS STILL TROUBLED

Although production has now been resumed at the Mount Newman iron ore operation in Western Australia following settlement of the strike reported here on Tuesday, loading of ore at Port Hedland is still delayed by a continuing strike of port workers who are due to meet to-morrow.

A Mount Newman spokesman said that eight vessels were now held up and that if the port workers decided against a return to work miners would probably have to be laid off. The estimated loss of production to date is about 1.5m. tonnes. Amax, Broken Hill Proprietary, CSR, Mitsui, C. Itoh and Selection Trust are the Mount Newman partners.

An expansion to 40m. tonnes a year is the current output target with studies in hand for possible developments beyond that level. In the year to May production was 33m. tonnes.

MINING BRIEFS

RAND MINES—Collieries' output for August: figures in tonnes: Witbank Colliery: Albion section 74,639; Douglas section 136,979 Union section 25,375. Van Dyks Drift section 94,368. Wolvekrans section 167,664. Umsala Colliery 103,623. Welgedacht Exploration's Utrecht section 6,293. Zimbutu section 32,036. Group total: 640,505 (July 631,933).

ANGLO AMERICAN CORPORATION—Coal division sales outputs for August: figures in tonnes: South Africa: Bituminous: Amalgamated Collieries of S.A. 369,884, Anglo Power 489,924. Blesbok 51,609. Coronation 132,727. New Largo 125,514. S.A. Coal Estates (Witbank) 171,779. Springbok 172,374. Vierfontein 130,566. Vryheid Coronation 68,532. Coke not available. Zululand Natal's Indumeni Colliery (coking coal) 31,727. Anthracite: Natal Anthracite 46,644. Balgray 17,209. Rhodesia: Wankie Colliery 222,925. Coke 27,256. Swaziland: Swaziland Collieries 11,381. Botswana: Morupule Colliery 5,564. Total group output: 2,245,699 (July: 2,230,523).

KENT (FMS) TIN—August production of Tin 39.2 tonnes (July: 57 tonnes).

KINTA KELLAS TIN—August production of Tin 58.1 tonnes (July: 49 tonnes).

GEEVOR TIN—August: 4,295 tonnes ore treated 39 tonnes black Tin produced including 5 tonnes low grade concentrates (July: 75 tonnes).

Jones Stroud downturn

CURRENT FIRST-HALF profits of Jones Stroud (Holdings) will be less than those for the same period last year and it is unlikely there will be an improvement in the second six months unless there is a halt to the continuing decline in the markets served, according to Mr. Philip Jones, chairman.

The company is doing its best to mitigate the effects of the recession in the textile and electrical industries, and the directors are confident of overcoming the difficulties providing they "have at least some say in the shaping of our own destiny."

But there is greater and greater Government involvement at all levels of every enterprise which, in so many cases, "inhibits and frustrates development which would eventually benefit everyone."

As known, pre-tax profit for the year to March 31, 1975, increased by 13 per cent. to £2.07m. Adjusted for inflation this figure would be £2.12m. Dividends are up from 3.4118p to 3.528p net.

A buoyant first half was followed by a decline in trading conditions in most markets. This, in addition to the ever-increasing rate of inflation, affected profitability and targets were not achieved. Mr. Jones says the company continues to be severely curtailed by price commission regulations.

The company now owns 39 per cent. of the shares of J. and J. Cash. On July 18 the capital of J. Beam Group was acquired for £150,500 cash.

A statement of source and application of funds shows a net increase in borrowings during the year of £184,804. Net borrowings at March 31, 1975 were £3.13m.

Future group capital expenditure contracted for is shown at £116,293 (£243,091) and that authorised but not contracted for amounts to £226,113 (£40,350).

Meeting, Nottingham, October 2, noon.

Liberal MPs split over strategy

BY PHILIP RAWSTORNE

DIFFERENCES emerged last night among Liberal MPs over the party's future strategy and, in particular, its approach to electoral reform and a coalition Government.

The divisions are likely to be reflected in debates next week at the Liberal assembly at Scarborough where party dissatisfaction with the lack of impact since the last general election is expected to surface.

Mr. Emlyn Hooson, MP for Montgomery and Leader of the Welsh Liberals, gave voice to the feelings of many Liberals when he called on the party last night to "pull itself out of the rut."

Liberals should issue a clear tough call for an alternative political approach, he said, instead of "simply plugging" electoral reform and coalition politics.

Speaking at a meeting in h's constituency, Mr. Hooson said there was no future for Liberals in merely waiting for a regrouping of political moderates. Nor would the party win uncommitted voters or disillusioned Tories and Socialists by simply repeating demands for electoral reform.

The party had to make clear it was prepared to play its full part in bringing down the Labour Government and asserting, in a militant manner, the rights of the country's moderates.

In contrast, Mr. David Steel, the party's former Chief Whip, reiterating demands for changes in the electoral system, last night warned the party to be ready to join any regrouping that promised more effective promotion of Liberalism.

At Salisbury, Mr. Steel said electoral reform was now essential in the national interest.

It would probably result in a coalition Government—and, expanding the theme in a pamphlet published yesterday, he added that when this occurred, the Liberal Party "should not behave like a more rigid sect of the Exclusive Brethren."

But he added to the party controversy by suggesting that Liberal policy should include restrictions on the payment of Social Security and tax benefits to strikers, the transfer of all council houses into private ownership, and a period of "national service" for all young people either in the forces, the police, or community service.

Mrs. Thatcher to meet Ford on U.S. visit

BY JOHN BOURNE, LOBBY EDITOR

MRS. MARGARET THATCHER, the Conservative leader, is to have talks with U.S. leaders during her 12-day visit to America starting on Saturday.

The meetings will take place next Thursday when she will see President Ford and Dr. Kissinger, his Secretary of State, and later in the day, Dr. Schlesinger, Secretary for Defence, and Mr. Simon, Secretary to the Treasury.

Mrs. Thatcher will make major speeches in New York at the Institute for Socio-Economic Studies next Monday at the Pilgrim's Club on Tuesday, and also to the National Press Club in Washington on September 19 and the Empire Club in Toronto on September 25.

She will give the Walter Heller International finance lecture at Roosevelt University, Chicago on September 22.

Tory attacks Crosland policy on home loans

BY JOHN BOURNE, LOBBY EDITOR

THE DECISION of Mr. Anthony Crosland, Secretary for the Environment, to halve local authority loans for house purchase was a disastrous mistake, said Mr. Timothy Raison, his Conservative opposite number, in a statement yesterday.

As many as 50 per cent. of the authorities had stopped lending altogether, having used up their quota for the year, the statement added. "As a result, Mr. Crosland's suggestion that local councils should concentrate on the particularly hard cases is a sick joke."

Many older properties were in danger of deteriorating beyond the possibility of restoration, because young couples were often unable to get mortgages from the building societies in such cases, said Mr. Raison.

Conference formula to stop rows

ABOUT 100 delegates at the Inter-Parliamentary Union conference in London agreed yesterday to a peace formula to stop explosive speeches on the Middle East situation. This follows a clash earlier involving the Israelis and the attendance of an observer from the Palestine Liberation Council.

Mr. Tom Williams, the conference chairman and Labour MP for Warrington, told delegates: "It is suggested that we do not have a further general debate on the Middle East at this stage."

Rig deaths probe begins

BY DAVID FISHLOCK, SCIENCE EDITOR

COMMANDER JACK WARNER, the Department of Energy's chief inspector of diving, flew to Aberdeen yesterday to investigate the deaths of two divers while decompressing after a 390-feet dive on the oil rig Waage II, 200 miles off the Orkneys.

The deaths on Tuesday night of Mr. Peter Holmes, 29, and Mr. Roger Baldwin, 24, bring to at least ten the number of fatalities connected with North Sea activities already this year, compared with 12 in 1974.

Specifically, they emphasise the hazards of North Sea diving, an occupation with a fatality rate 33 times as great as in coal-mining and 220 times as great as in U.K. factories, according to a British Medical Association report published only last week.

Commenting on the report, by the BMA's Scottish Council under the chairmanship of Dr. John McCrae, an Ayrshire GP, the British Medical Journal says the death rate among divers is "so far beyond normal industrial experience that it approaches that among servicemen in war-time."

Calling for an inquiry that would investigate the adequacy of diving regulations, the medical services and the training of divers, Mr. Jo Grimond, MP for Orkney and Shetland, asked yesterday whether we were diving on the edge of capacity."

The puzzling aspect about latest deaths is that two should have died at the time while decompressing their tissues of gas while at depth—a process can take up to 14 days, dep ing.

One serious risk in decom sion is pneumothorax collapse of a lung, but it is sidered unlikely that this happen simultaneously in lungs of the two men.

Another possibility was the decompression chamber Waage II failed in some wa

Hopeful German noises at Frankfurt Motor Show

BY GUY HAWTIN FRANKFURT, Sept. 10

E FRANKFURT Motor Show ns to-morrow (Thursday) inst a background of a heavy line in West Germany's car orts. The Federal Republic's tor manufacturers, therefore, hoping that the exhibition l produce a boost for overseas es as well as provide further nulation for an increasingly yant home market.

Daimler Benz chief executive ofessor Joachim Zahn laid vy emphasis on the impor ce of the export market when outlined his group's policy to Press to-day. Domestic sales, said, formed only one of the lars supporting full employ nt. Exports were also vital.

omestic sales

Although the industry's nestic car sales in the first en months of 1975 were up by 5 per cent. compared with the ne period of the previous year, y were still about 9 per cent. ow the 1973 figure. There had en no sign of an upturn in erseas sales, however, and rman car exports lay 29 per nt. lower than in the first 7 nths of 1974 and a full 38 per nt. below the 1973 level.

The rise in the domestic rket in no way compensated the fall in exports, said Pro sor Zahn. January to July car oduction figures showed that tput was still 12 per cent. wer than in the same period of 74, while they were as much 29 per cent. lower than in 1973.

"It is certain that with the e in the value of the dollar... rman exporters will get some lief," he said. But he added: This has, however, not so far mpensated for the inroads in the German economy with gard to its competitiveness used by the exceptional rise in sts over the last few years and the additional burdens im sed by various revaluations of e Deutsche Mark."

Professor Zahn, however, was eaking from the comfortable sition of being chief of one of the fortunate few car manufacturers whose output is currently higher than in 1973 when the crisis started. Daimler-Benz, he revealed, produced 228,000 cars in the first eight months of the year.

The concern, he said, aimed to lift 1975 production above the planned 345,000 level because its market was developing favourably. The current year's output would substantially exceed the 340,000 cars produced in 1974.

Demand for the concern's cars remained at a high level on the home market, despite the expiry of the government's investment incentive scheme at the end of June. Overseas the picture varied, he said. The European market was growing appreciably while there had been a substantial sales increase in the important American market.

Daimler-Benz was presenting no new models this year, he said. The present range would continue into 1976. Should new models be introduced next year, the present range would be continued concurrently for some time. He also added that prices would not be raised further during 1975.

Herr Toni Schmuecker, chief executive of Volkswagen, West Germany's largest motor manufacturer, was also discreetly bullish about the group's prospects. The concern, he said, would still make a loss although it would be substantially below last year's DM807m.

The concern's voluntary redundancy scheme was working well. In fact, more workers had opted to go than had been expected. The greatly slimmed West German VW labour force now totalled 117,800 workers compared with 137,000 at the beginning of the year.

"Profits before volume" was now the maxim of the concern and expansion would be tightly controlled. Despite this, Volkswagen concern deliveries—not including Brazilian figures—totalled 1.14m. units in the first eight months of the year.

In the Federal Republic sales in the same period had risen by 12 per cent. against the first eight months of 1974, while deliveries in the European volume market were up by 13.1 per cent. to 269,000 units. Against this U.S. sales were off 10.3 per cent. to 255,000 cars. When Brazilian figures were included, however, the concern's January to August sales figure was up 6.4 per cent. to 1,439,000 vehicles.

Bayerische Motor Werke, BMW, has come to the show with an already impressive record for the first half of the year. New BMW registrations in the Federal Republic were some 48 per cent. up on the first half of 1974, while the company pushed up its share of the West German market from 5.1 per cent. to 6.1 per cent. Overall registrations for all makes in West Germany were up by less than half that figure—21 per cent.

Export rise

Exports have also risen sharply compared with the year before. Overseas orders at the half-year mark were 23 per cent. up, according to BMW statistics. Much of this is attributed to the new line of cars introduced in January. In the motor-cycle field, total volume output rose by 11 per cent. to 13,500 units, while registrations in West Germany went up by 3 per cent.

For 1975, the concern is forecasting car sales totalling 210,000 units, while motor-cycles sales are estimated to reach 25,000 units. First-half production, said the group, was somewhat higher than the same period of 1974 while for the German industry as a whole output was down on first six months of the previous year.

Turnover in the first half totalled DM1.53bn.—15 per cent. up on the January-June performance in 1974. For the whole of 1975, it is expected to pass the DM3bn. point for the first time.

Elektrowatt earnings up 16%

By John Wicks

ZURICH, Sept. 10.

THE SWISS industrial holding company Elektrowatt Ag, of Zurich, announces a rise in net profits for the year ended June 30 to Sw.Fr.33.38m. (£29.16m.). The company, whose capital has risen from Sw.Fr.155m. to Sw.Fr.190m., recommends payment of an unchanged 15 per cent. dividend and the transfer of Sw.Fr.4m. (same) to special reserves and Sw.Fr.1.5m. (same) to the staff welfare foundation.

Although no further details are yet published as to Elektrowatt's activities in the 1974/75 period, the rise in profits of over 16 per cent. points to considerable success over the year. This is particularly the case in that almost one-quarter of the holding company's income originated in the previous financial year from the now crisis-stricken building and allied trades, where the major Elektrowatt holding is in the large Swiss contractor concern Ernest Goehner. Holdings in the industrial-manufacturing field have suffered at least in part from the general recessionary trend and these accounted in 1973/74 for a further 18.8 per cent. of income from participations.

The notable increase in profits indicates that earnings from the power-station sector, which traditionally account for over one-half of Elektrowatt income, have developed satisfactorily. The group participates in 16 Swiss power stations and indirectly in the Bugey nuclear project in France.

The same is probably true for civil-engineering activities, where the major subsidiary, Elektrowatt Ingenieurunternehmung, has acquired a number of important contracts in Switzerland and abroad. Portfolio investments abroad, however, are likely to have suffered in their returns from the high Swiss-franc exchange rate.

Reed and St. Regis bring Nampak rumours to a head

BY RICHARD ROLFE JOHANNESBURG, Sept. 10

THE ANNOUNCEMENT that Reed International and St. Regis Paper are holding talks about the sale of St. Regis' 31.4 per cent. stake in the South African group National Amalgamated Packaging (NAMPAK) brings some months of rumours about an impending change of control in Nampak to a head. The biggest paper and packaging group in the Republic, Nampak has just finished a record year to April 30, with turnover up to R97m. (R78m.) and pre-tax profit to R18m. (R15m.) Its record over the past five years is one of doubled dividends from 10C to 20C per share and pre-tax margins improved by three points to 18.5 per cent.

Though St. Regis is the biggest shareholder, any agreement it might enter into with Reed or other parties is subject to the approval of Mr. Oscar Fruman, 70, Chairman and chief executive of Nampak. He and associates hold 12 per cent. of the shares, but Mr. Fruman has an agreement, which runs for eight years, which debars St. Regis from disposing of its shareholding other than with his consent.

This condition suggests that Reed's local chief executive, Mr. John Smeddle, has already made some progress in gaining Mr. Fruman's acceptance. Mr. Smeddle is on record as saying that Reed wants a local listing in South Africa and control, if it can be gained, of the St. Regis stake. It is a fair bet that the next step would be to inject Reed, whose local operation is about the same size as Nampak, into Nampak for shares, probably leaving Reed as the majority shareholder in the combined group.

The announcement says that the talks only concern the St. Regis shareholding and will not be extended to shareholders in general. As such, the deal would be a change of control within a control situation, and therefore apparently acceptable to the Johannesburg Stock Exchange. However, some agreement with Mr. Fruman, and associates who are unlikely to want to be locked in, is likely.

With Nampack shares unchanged on the news at 290c, the St. Regis stake of 7.5m. shares is worth about R21.5m. against a total capitalisation of R72m.; but a price tag of up to 400c is possible for the controlling shareholding. Even at this level, a counterbid cannot be ruled out, either to St. Regis or for the entire Nampak equity. Among the contenders could be Barlow Rand, with its flourishing but relatively small packaging interests; Union Corporation's Carlton Paper; or, conceivably, Anglo American Industrial Corporation (AMIC), which is not as yet in packaging but might wish to diversify from its substantial base in board and basic paper-making, despite denials.

ICAL goes into the red in its first half

BY RICHARD ROLFE JOHANNESBURG, Sept. 10.

INTERNATIONAL Combustion Africa (ICAL) has reported a pre-tax loss of R498,000 for the six months to end-June against a profit of R822,000 for the comparable period of 1974. Turnover shaded slightly from R9.9m. to R9.3m. and the interim dividend, 6.75 cents last time, was passed.

Last year's optimistic interim report was followed by a sharp downturn in business, notably in utility boilers, at the same time as unprofitable chemical plant construction contracts were completed. Last year's loss amounted to R1.9m. However, the Chairman subsequently forecast a difficult year in 1975 with a small loss in the first half and a return to profit in the latter part of the year.

Orders at end-1974 stood at R46m., of which R20m. will be completed in 1975 for which total sales are budgeted at R25m. With the share capital held as to 45.6 per cent. by International Combustion (Holdings) everything for the minority now depends on whether the profit forecast can be made good. The shares were unchanged at 80 cents on the news.

Nippon Steel $50m. loan

By Mary Campbell

NIPPON STEEL'S Eurobond offering has now formally come to the market. The amount will be $50m. — which makes it the largest ever straight issue to be offered by a Japanese company in this market. Indicated coupon on the issue, which is guaranteed by the Industrial Bank of Japan, is 9½ per cent., indicated offering price is par and the maturity is five years.

The issue is being offered by a group of underwriters headed by Morgan et Cie. Nomura Europe and IBJ International, an overseas arm of the Industrial Bank of Japan.

The proceeds of the issue are to be put towards the borrower's programmed capital expenditure inside Japan.

Fiat Spa is scheduled to arrange a $64m. medium-term Eurocurrency loan to finance the shipment of transport equipment to Algeria, Reuters reports.

The loan would apparently be in conjunction with Sonacome, the Algerian state agency for importation of mechanical equipment. Buses and heavy transport equipment would be exported by Fiat to Algeria under the deal.

It is suggested in London banking circles that this loan, if it materialises, would be one of several financings for Fiat or its subsidiaries, arising out of its world wide expansion plans.

Losinger sales below target

By John Wicks

ZURICH, Sept. 10.

THE SWISS building and civil engineering concern Losinger, expects a group turnover of some Sw.Frs.500m. for the current year, compared with a targeted figure of Sw.Frs.530m. Although foreign activities are developing according to budget — they are expected to account this year for some 28 (1974: 22) per cent. of turnover — domestic business has been down.

Similarly, new orders have been flowing satisfactorily from abroad and by mid-year had passed expectations, but these were insufficient to compensate for the decline in Swiss order volume. In the first half of this year, when total Losinger turnover was 6 per cent. below forecast at Sw.Frs.214m., new orders worth only Sw.Frs.186m were received — a sum "well below expectations." For 1975 as a whole new orders are expected to equal approximately the value of turnover. As of June 30, orders on hand were worth some Sw.Frs.460m., however, and a sufficient work-load is guaranteed for the second half.

McKinsey defends Enka report ahead of next union talks

BY OUR OWN CORRESPONDENT AMSTERDAM, Sept. 10.

TENSION APPEARS to be building up in the dispute over the McKinsey report on Enka Glanzstoff, the loss-making fibres subsidiary of the Dutch Akzo group.

Holland's largest trade union, Industriebond NVV has expressed fears that the talks with management scheduled for to-morrow may break down. McKinsey, meanwhile, has taken the unprecedented step of publicly defending the strong criticism levelled at its Enka report.

In an attempt to retore confidence in its role at Enka and at the same time "correct unjust reporting" McKinsey gave a press conference here this week, the first ever to be held by the management consultants group whilst a project was still under study.

At this conference McKinsey stated that on the basis of its own forecast of a 10 per cent. rise in prices, Enka faced losses in its fibres business of Fl.160m. year. And, according to McKinsey calculations, even if prices rose dramatically—by 0 per cent.—Enka would still be suffering an annual loss of Fl.100m.

So far, the trade unions "have only expressed doubts about our integrity and independence—no one has attacked our main findings and conclusions," McKinsey partner Mickey Huibregtsten told the Press conference. Enka itself has accepted the report.

As far as McKinsey is concerned the market study still stands as a starting point for the second phase of the study, in which alternative solutions will be formulated. However, it is doubtful that the trade unions will take the same line.

The unions have been studying additional, so far undisclosed, information obtained by them in reply to questions which they put to McKinsey. At the second meeting with Enka to-morrow the unions will have to decide whether they accept the market study as a general base for the second phase.

Industriebond NVV-leader Jan de Jong warned a meeting of Akzo union leaders that they should reckon with the strong possibility of a rejection of further consultation by Industriebond. He also made clear that the unions will stick to their demand for international consultation between Enka and international unions.

McKinsey-Partner Max Geldens stressed that if unions would not express confidence in McKinsey and its report, the second phase would be entered without them. In this case McKinsey would continue to advise the Enka Glanzstoff management and the Enka works council. There is however the remote possibility that McKinsey may withdraw completely from the Enka project, the team hinted.

Max Geldens stressed that neither McKinsey nor Enka have so far drawn up a "plan" for tackling Enka's problems. Calculations for the second phase have however already started. If McKinsey gets the green light to-morrow it could present as many as 15 alternative solutions around September 25, varying from the most socially acceptable—no redundancies—to the most economical solution—involving "x" number of redundancies.

If the unions choose to stay out of the consultation during the second phase they will still be involved later on when Enka management has to negotiate with them on the implementation of the solutions. McKinsey will not participate in the implementation phase.

Hasler pays same dividend

By John Wicks

ZURICH, Sept. 10.

THE SWISS electrical engineering concern, Hasler, reported an 11 per cent. increase in group turnover to Sw.Frs.430m. for 1974, with orders received up 13.4 per cent. to Sw.Frs.507m.

All subsidiaries achieved a rise in sales over the year except for the cash-register company Hasler Registrierkassen. The South American affiliate, Hasler Argentina, which had been showing a loss, was sold to Argentinian interests during the year.

The parent company, Hasler Holding AG, reports net profits of Sw.Frs.4.49m. (4.31m.) for its financial year to June 30, 1975, and recommends payment of an unchanged dividend of Sw.Frs.48 per share. It recommends an increase in capital from Sw.Frs.40m. to Sw.Frs.44m. by the issue of registered shares of Sw.Frs.500 nominal value at a unit price of Sw.Frs.720. The new shares would be entitled to dividend as from July 1, 1975.

For the current financial year Hasler expects most of its subsidiaries to work satisfactorily, with the hope of additonal foreign orders in both 1976 and 1977 to compensate for fewer Swiss post office orders. Hasler Holding believes it will be able to repeat the Sw.Frs.48 dividend in 1975-76 on the increased capital.

Official warns on Dow soda plans in Japan

TOKYO, Sept. 10.

SOME OF Japan's 35 soda makers may go bankrupt if Dow Chemical Japan proceeds with plans to start soda output in Japan, a Trade and Industry Ministry official warned.

Toshikazu Hashimoto, director-general of international trade policy at the Ministry, said though Japan liberalised inward capital investments in its soda industry in May 1973, the OECD has an escape clause covering serious impact on the national economy of member nations.

He also noted the Japanese soda industry is engaged in a three year programme to switch from the mercury process to a pollution-free diaphragm process at a total cost of Y340bn.

Mr. Hashimoto said, however, the Ministry was still "carefully deliberating" on Dow Chemical's plan from various angles, and was not yet in a position to decide on it. Dow Chemical Japan, set up by Dow Chemical International in August last year as a sales and development company, applied in July this year for permission to start soda production in Japan.

Reuter

Tokyo loses its appeal for foreign investors

TOKYO, Sept. 10.

SALES OF Japanese stocks by foreign investors last month exceeded purchases for the first time since January, the Tokyo Stock Exchange said.

Net sales of portfolio investments by foreigners totalled Y4.4bn. compared with net purchases of Y2.7bn. in July, according to a survey conducted by the Exchange among 11 major securities' firms.

Foreign investors sold Y22.7bn. of Japanese shares through local stock exchanges in August, while buying only Y18.3bn. This compares with about Y41.2bn. of shares sold and Y43.8bn. bought in July, the exchange said.

It said foreign investors were holding off, in view of a decline in the value of the Yen against the dollar and uncertainties surrounding the Japanese economy.

Reuter

Martin target for Electrolux

BY WILLIAM DULLFORCE STOCKHOLM, Sept. 10.

THE EUROPEAN manufacturing and marketing concern, in which the Electrolux Board said in its half-year report that it was negotiating a controlling interest, has now been identified as the Martin group, a well-known producer of domestic capital goods with a turnover of about French Francs 900m. (just under £100m.). It has manufacturing and sales companies in France, Belgium and Switzerland as well as sales companies in West Germany and Morocco.

Electrolux hopes to finalise "within the foreseeable future" an agreement with Gecoma, a Luxembourg investment company, which holds a majority interest in the Martin group. The agreement will have to be approved by the authorities concerned.

The two concerns complement one another as far as product lines and sales outlets are concerned. The Martin group manufactures Nono refrigerators or freezers but is a sizeable producer of cookers and washing machines. The deal would enable Electrolux to widen the sales area for the domestic appliance and industrial cleaner products of its Swedish factories, while the Martin group would gain access to Electrolux's world-wide sales organisation, which is expected to give the Swedish group a turnover of some S.kr.6bn. (£650m.) this year.

The Martin group, which employs 5,600 people, some 4,200 in France and about 1,000 in Belgium, markets under the brand names Arthur Martin, Nestor Martin, Faure, Menalux and Bono through more than 12,000 dealers in France with some 20,000 outlets and about 400 dealers in Belgium with 1,200 outlets.

Under Chairman Hans Werthen, Electrolux has been expanding aggressively over the past three years, taking over the Facit group in 1972 and National Union Electric Corporation of the USA last year.

Ashland gets offer for Canadian unit

ASHLAND, Sept. 10.

ASHLAND OIL said that it has received a tentative oral proposal from Brascan, through investment bankers, for the purchase of its shares of Ashland Oil Canada.

Ashland Oil owns about 85 per cent. of the outstanding shares of Ashland Canada but the proposal contemplates a tender for all outstanding shares, it said.

While a precise value is difficult to calculate, it would apparently be in the range of U.S. $13 to $14 a share, it said.

Ashland Oil has not received a firm written proposal nor had an opportunity to analyse all aspects of the transaction, and does not yet consider it appropriate to comment further.

Reuter

Piper-Heidsieck upsurge

BY ROBERT MAUTHNER PARIS, Sept. 10.

PIPER-HEIDSIECK, France's third biggest champagne producing company, has announced a sudden upsurge in sales after a mediocre first half-year when turnover dropped by 48 per cent. compared with the same period of 1974.

This means sales will have risen by as much as 50 per cent. in volume in the third quarter of 1975, while the prospects for exports are now also more favourable, thanks mainly to a resumption of demand from the U.S. which has coincided with the hardening of the dollar.

As a result, the company has revised upwards its sales forecasts for the current year and there seems every reason to suppose that 1975 turnover will equal that of 1974, which was an exceptionally good year.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8⅞pc 1986	99	100
Ashland 8pc 1987	87	88
Australasia 8pc 1987	87	88
BFCE 8pc 1988	98	99
Borregaard 8½pc 1989	90	91
Carrier 6pc 1987	84	85
Chusco 8pc 1986	93	94
Consol Foods 7½pc 1991	90	91
Cutler Hammer 8pc 1987	86	87
EIB 9½pc 1985	99½	100½
Esso 8pc 1986 Nov.	95	96
General Cable 8½pc 1987	86	87
General Motors 8½pc 1986	100½	101½
GTE 8½pc 1986	96	97
ICI 7½pc 1982	79	80
Nat. Grindlays 7½pc 1987	73	75
Pacific Light 8pc 1988	85	86
Prov. of Quebec 7½pc 1988	81	82
Queensland 8½pc 1987	84	85
Quebec Hydro 8½pc 1989	84½	85½
Scanraff 8½pc 1988	95	96
Shell 8pc 1986	94	95
Standard Oil (Ind) 8½pc '88	96½	97½
Tenneco 7½pc 1987	84	85
Transocean 8pc 1986	85½	84½
TRW 8½pc 1986	84½	85½
Utah 8pc 1987	86	87
Volvo 9½pc 1985	99	100
NOTES		
Air France 9½pc 1982	99½	100½
Australia Ind. 10½pc 1981	102½	103½
Barclays 7½pc 1978	94	98
Cie Nat. du Rhone 10pc '82	101	102
Du Pont 7½pc 1978	98½	99½
Esso 7½pc 1978	98½	99½
General Motors 8½pc 1978	100½	101½
Marubeni 9½pc 1982	99½	100½
Nippon Fudosan 10½pc 1981	101½	102½
Skand. Enskilda 10½pc '81	102	103
Tenneco 9½pc 1979	96½	97½
Tokyo Curaco 10½pc 1981	100½	101½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	79	81
Ashland 5pc 1988	74	76
Beatrice Foods 4½pc 1992	87	89
Beatrice Foods 4⅞pc 1992	88	90
Borden 5pc 1992	83	85
Broadway Hale 4½pc 1987	71	73
Canon Camera 7½pc 1989	76	81
Carnation 4pc 1987	82	84
Chevron 5pc 1988	93	95
Dart 4¾pc 1987	79	81
Eastman Kodak 4½pc 1988	105	107
Economic Labs. 4½pc 1987	69	71
Eldal 7½pc 1989	78	83
Ford 6pc 1986	89	83
Ford 5pc 1988	69	71
Fuji 6½pc 1985	190	
General Electric 4¼pc 1987	84	86
Gillette 4¾pc 1987	69	71
Gould 5pc 1987	79	81
Halliburton 4¼pc 1987	122	124
Harris 5pc 1992	83	85
Hitachi 6½pc 1984	100	
Honeywell 6pc 1986	69	71
ITT 4½pc 1987	67	69
Komatsu 7½pc 1990	105	107
J. Ray McDermott 4¾pc '87	133	135
Mitsui 8½pc 1989	130	
J. P. Morgan 4¾pc 1987	104	106
Motorola 4½pc 1988	116	
Owens Illinois 4½pc 1987	88	90
J. C. Penney 4½pc 1987	71	73
Pioneer 4½pc 1989	145	150
Rand Selection 6½pc 1986	90	95
Rank 4½pc 1993	37	39
Revlon 4½pc 1987	97	99
Sperry Rand 4½pc 1987	92	94
Squibb 4½pc 1987	75	77
Toshiba 6½pc 1990	100	102
Union Carbide 4½pc 1982	107	109
Warner Lambert 4½pc 1987	88	89
Warner Lambert 4½pc 1988	76	78
Xerox 5pc 1988	69	71

Source: Kidder, Peabody Securities.

GENERAL APPOINTMENTS

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Telephone 01-928 3355, ext 2555.

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Initially, each executive will have particular responsibilities as defined below. Both, however, will acquire experience of all aspects of the administration and management of the enterprise because the attraction of these appointments is the opportunity that they offer to able, ambitious, professionally qualified and commercially minded men to move into the general management of the Company.

Senior Financial Executive

This appointment is for an Accountant who will work with the Chief Accountant to improve the functioning of the Accounts Department, introduce and implement internal audit procedures in all UK units and generally apply his experience towards increasing the Company's profitability.

Administrator

An Administrator is required to control and motivate a staff of some 20 people, who are responsible for the effective operation of a fast moving, high-volume computer linked system that involves all aspects of the business and is particularly customer orientated.

The appointments, which will be of interest to those currently earning in excess of £6,000, will be at the Company's head office in Cheshunt, Hertfordshire but UK travel will be involved and a Company car will be provided. The Company has an attractive pension and life assurance scheme and assistance will be given with house removal expenses where appropriate.

a member of the RTZ Group

Please apply in writing specifying vacancy preference and giving details of age, qualifications, career to date and current salary to:
R. W. F. Penny, Group Personnel Manager. (Ref. FT), RTZ Industries Limited, Cleveland House, 19 St. James's Square, London SW1Y 4JG.

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Box No. A5216,
The Financial Times, 10 Cannon Street, London, EC4P 4BY.

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Our client, a leading Investment Bank, is seeking to appoint an exceptional individual capable of developing an imaginative new concept within its securities trading capability.

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The successful candidate, aged 25-35 will be a graduate with an MBA or similar business qualification.

Presently working in a leading jobbing or stockbroking firm or a merchant bank, he may feel that he has exhausted the development prospects of his present post and be seeking a new opportunity.

Remuneration, which will be linked in part to business development, is negotiable, and unlikely to pose a problem for the right man.

(Ref: T3065/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA ADVERTISING LIMITED,
2 Albert Gate, London SW1X 7JU. Tel: 01-235 6060

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Prospective Conveyancing Partner

- Our client is one of the largest firms of City of London solicitors.
- The appointment is to meet a steady expansion of the partnership's conveyancing work, connected with institutional clients, commercial clients, and private clients with landed estates.
- They seek an admitted solicitor, probably aged 30-40 with experience of working at high level in these fields, plus a proven capacity to handle heavy work loads within tight time schedules, and interests that extend beyond the bounds of conveyancing. A Partnership is likely to be offered within a year of joining.
- Initial reward in the region of £12,000 p.a. When a Partner, will share profits on an eminently fair basis.
- We are acting as advisers on this appointment, and will be pleased to receive, in strict confidence, applications from candidates who feel they match the specification. We undertake that no applicant's name will be passed to our client without the individual's permission.

Christopher Tilly & Associates Ltd., 19 Bentinck Street, London, W.1.
Tel: 01-935 2593/4.

A Legal Adviser

A prime City based financial institution seeks a barrister or solicitor with a minimum of three years' experience in commerce or practice. Preference will be given to candidates who have been concerned with international financial business. The salary is unlikely to disappoint the selected candidate; in addition there are above average benefits typical of institutions such as this one.

Please write in confidence with full curriculum vitae to
Box No. A.5231, Financial Times, 10, Cannon Street, EC4P 4BY.

British Bank of Commerce Limited

(A member of the Grindlays Banking Group)
require a

NEW BUSINESS EXECUTIVE
TO OPEN A
BIRMINGHAM OFFICE

Age approximately 30/40 for their Industrial Hire Purchase subsidiary company. Candidates, who should preferably be professionally qualified, must be able to introduce substantial good quality non-consumer hire purchase business from the Midlands area. They should have wide contacts in this field at senior level, be self starters and have had a highly successful career to date in a new business capacity with a national finance house. A working knowledge of leasing would also be an advantage.

The subsidiary company concerned has always been a profitable member of the Bank and should make a significant contribution to its profits this year. It is now engaged in a programme of expansion, including the opening of a new office in Birmingham.

The salary will be negotiable dependent upon calibre and experience and applicants should currently be earning at least £4,000 per annum. A company car will be provided. Additional benefits include staff house purchase and non contributory pension schemes. Prospects are excellent.

All applicants should give details of age, education, past experience, present salary and be addressed to:—

Mr. J. A. Hamilton,
British Bank of Commerce Limited,
(A Member of the Grindlays Banking Group)
4 West Regent Street,
GLASGOW, G2 1RG.

Tokyo

LEADING AMERICAN INVESTMENT BANK with well established position in Japan requires a Senior Representative for its office in Tokyo.

Applicants must have considerable experience dealing with Japanese business as well as a sound knowledge of investment or merchant banking.

Remuneration and benefits are very attractive. Please submit curriculum vitae in complete confidence to:—

Box A5223, Financial Times, 10, Cannon Street, EC4P 4BY

Merchant Banking Corporate Finance

S. G. Warburg & Co. Ltd. propose to make the following appointments to their Corporate Finance Division:–

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Applicants should submit, in complete confidence, a comprehensive curriculum vitae to:–P. K. Marlow, S. G. Warburg & Co. Ltd., 30 Gresham Street, London EC2P 2EB.

PARSONS AND COMPANY

wish to add two members to their Investment Research Department in Glasgow. Applicants are invited to write giving relevant details to—

J. T. W. Gray,
PARSONS & CO.,
P.O. Box 113,
100 West Nile St.,
Glasgow, G1 2QU.

ASSISTANT REGISTRAR

We have a vacancy for a Senior Registrar of considerable ability. This post requires a wide knowledge of all aspects of share registration practice and new issue procedures. Experience of a computerised register would be an advantage. Applications with full particulars to John Newton, Arthur Young McClelland Moores & Co., Union Chambers, 63, Temple Row, Birmingham, B2 5ND.

AYMM

TECHNICAL MANAGER
Saudi Arabia

Required in Saudi Arabia a qualified person to arrange and handle Diesel Engine Sales and Service. Applicants should have:

College Level Technical and/or Business education

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For attention of General Manager.

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requires
EXPERIENCED PERSONAL ASSISTANT
Male or Female

for partners primarily involved in institutional business, fully competent to carry out private client and other reviews, prepare investment schemes etc. unsupervised, undertake some shallow research. Salary by negotiation. Pension Scheme. Write giving details of experience to Box A.5227, Financial Times, 10, Cannon Street, EC4P 4BY.

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Two Americans forming London stock brokerage firm seeking experienced and well connected broker to become partner. Must have thorough knowledge of British financial market and willingness to meet this new challenge. No capital required. Send full particulars to: Box F.331, Financial Times, 10 Cannon Street, EC4P 4BY.

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Call Peter Maule Ffinch on 01-353 8353

هكذا من الأصل

ACCOUNTANCY APPOINTMENTS

GENERAL APPOINTMENTS

APPOINTMENTS WANTED

PERSONAL

PUBLIC NOTICES

GLASGOW DISTRICT COUNCIL
Issued 10th September £3.3m. Bills at 10 15/64% p.a. maturing 10th December, 1975. Applications totalled £30.5m. The total amount of bills outstanding is £7.3m.

NORTHAMPTON BOROUGH COUNCIL
£700,000 91-day bills issued 10 September 1975 due 10 December 1975 at 10 15/64%. Applications totalled £9.8m. No other bills outstanding.

SOLIHULL METROPOLITAN BOROUGH COUNCIL
£2,000,000 Bills issued on 10th September 1975 at 10 15/64%, repayable 10th December, 1975. Applications totalled £20,200,000. These are the only bills outstanding.

STRATHCLYDE REGIONAL COUNCIL
£6m. bills issued 10 September 1975 due 10 December 1975 at 10 15/64%. Applications totalled £54½m. Bills outstanding £23m.

THE FIFE REGIONAL COUNCIL BILLS
£2m. Bills issued 10.9.75 maturing 10.12.75 @ 10 15/64%. Applications totalled £16m, and there are £2m, bills outstanding.

CORPORATION LOANS

COMPANY NOTICES

PRETORIA PORTLAND CEMENT COMPANY LIMITED
(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND NO. 135

Further to the dividend notice included in the Interim Report of the Company which was advertised in the press on 7th August, 1975 the conversion rate applicable to payments in United Kingdom currency in respect of Dividend No. 135 is £1 = R1.517175 equivalent to 6.92075p per share.

The effective rate of South African Non-Resident Shareholders' Tax is 14.1%.

Office of the London Secretaries:
Charter Consolidated Limited,
40, Holborn Viaduct,
EC1P 1AJ.

Share Transfer Office of the London Secretaries:
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent.
TN24 8EQ.

9th September, 1975.

PEEK'S BISCUITS LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books will be CLOSED from 4th October 1975 to 18th October 1975, both dates inclusive, for the preparation of Dividend Warrants.

By Order of the Board,
C. D. NORTH & CO. Registrars.
1 Brunswick Street,
Batley, Yorkshire WF17 5DU.

4th September, 1975.

THE GREENCROFT ESTATE CO. LTD.

The above Company has declared a Dividend at the rate of £1.63 per £10 Share, for the year ended 10th March, 1975.

Holders of Share Warrants are requested to present Dividend Coupon No. 43 at the Registered Office on 30th September, 1975 when bearers will be paid the dividend due.

A. E. Charlesworth, Secretary.

Registered Office—
"F" Floor,
Milburn House,
Newcastle-Upon-Tyne,
NE1 1NY.

5th September, 1975.

INTERNATIONAL DEPOSITARY RECEIPTS REPRESENTING SHARES PAR VALUE $2.50 COMMON STOCK J. P. MORGAN & CO. INCORPORATED

A cash distribution of $0.45 per Depositary share will be payable on and after 22nd Oct. 1975 upon presentation of Coupon No. 20 at: Morgan Guaranty Trust Company of New York,
23 Wall Street (Corporate Trust Dept.)
35 Avenue des Arts, Brussels
33 Lombard Street, London
82 Frankrijklei, Antwerp
at the designated rate, less applicable taxes.

This distribution is in respect of the regular quarterly dividend payable on the Common shares p.v. $2.50 J. P. Morgan & Co. Incorporated on the 15th October, 1975.

SAVE AND PROSPER JARDINE FAR EASTERN FUND S.A.

NOTICE OF MEETING

Notice is hereby given that the Fifth Annual Ordinary Meeting of shareholders will be held at Reid House, Church Street, Hamilton, Bermuda (the principal office of the Corporation) on 28th September, 1975 at 12 noon for the following purposes, namely:

1. To receive the Reports of the Directors and Auditors and the Statement of Accounts for the year to 30th June, 1975.
2. To appoint auditors to hold office until their successors are appointed at a rate of remuneration to be decided by the Directors.
3. To fix the number of and to elect Directors.
4. To determine the remuneration of the Directors.
5. To transact any other business of an Ordinary Meeting of shareholders.

By Order of the Board,
J. D. CAMPBELL, Secretary.
Reid House, Church Street,
Hamilton, Bermuda.

12th September, 1975.

NOTE.—A member entitled to attend and vote at the Annual Ordinary Meeting is entitled to appoint a proxy to attend and vote on his behalf.

THE TOR INVESTMENT TRUST LIMITED

NOTICE IS HEREBY GIVEN that the REGISTERS of the Income Shares and Capital Shares will be CLOSED from 6th October to 19th October 1975 inclusive.

By Order of the Board,
J. TODD, Secretary.

ART GALLERIES

CLUBS

CINEMAS—(Cont.)

FT CONFERENCE

EEC 'must reduce fuel imports'

FINANCIAL TIMES REPORTER

A WARNING to EEC Governments not to relax their efforts to obtain a reduction in imported energy supplies by the mid-1980s was made by Sir Derek Ezra, chairman of the NCB, yesterday.

He contrasted the growing complacency in Europe about energy supplies with the "total determination" of the U.S. to become self-sufficient in energy requirements again.

Sir Derek was speaking at a conference in London on world coal, organised by the Financial Times and the Oil Daily.

Taking the premise that the world was likely to see a physical shortage of energy supplies from the mid-1980s, he argued it was essential that plans drawn up when the OPEC countries first raised the oil price were implemented.

In particular, it was essential the target laid down by the Council of Ministers of maintaining coal production at about 253m. tons was met. This would mean increased output from Germany and Britain, as France and Belgium would inevitably produce less.

There was no technical reason why British coal output could not be increased, provided full consideration was given to the problem of fluctuating demand.

Pressures

Money would have to be made available to insulate the industry from such economic pressures. To the majority of minds, it was necessary to operate either at full strength or to close down.

"If labour is laid off, we won't get it back, because everybody else will be wanting it at the same time." A clearly defined policy on stocking should be undertaken. "We should not be disturbed about building up stocks, but they have to be financed." Provision should also be made for coking coal.

At the moment, a reasonable supply existed, because industry was working at low levels, "but when the upturn comes, the situation could become very tight. It will be the height of lunacy during a period of weak demand to cut back on coking coal capacity."

Sir Derek urged that increased resources be put into research to enable greater quantities of coal to be used as feed stock for conversion.

A call for research to be more flexible came from Mr. Leslie Grainger, Board member for science on the NCB.

He argued that the value of various products was difficult to predict, especially as they were affected by the location and timing of energy of materials produced.

Coal research could be divided into two basic objectives—release of heat and use of carbon atoms.

"The developments in the efficient release of heat and its application should have a big priority, since more valuable fuels are at present being consumed wastefully and this heat released is not being very efficiently utilised."

Fluidised combustion was clearly the best answer to these problems, but where carbon itself was required, coal was the obvious source and should not consume hydrogen.

"Gas is likely to be the first major product from coal requiring hydrogen addition, and consideration should be given to circumstances where it may not be necessary to go all the way to methane."

In contrast to Sir Derek, Mr. Ian MacGregor, chairman and chief executive officer of AMAX, was unimpressed by the U.S. energy programme.

Outlay

U.S. vulnerability to cutbacks in imported oil supplies had increased during the last two years, he argued, adding that Congress "did not perceive the growing urgency of the situation."

Coal was the answer to U.S. energy needs and therefore a national effort should be made on the scale of the Second World War Manhattan Project. This "could triple coal production by the 1980s."

Emphasising the capital outlay needed for energy development, Mr. MacGregor said this would require companies experienced in raising huge sums for investment.

More than $20m. was needed for expansion of the coal industry but such sums were nominal compared with the cost of nuclear power and development of new oil and gas reserves.

Concentrating on the situation in Britain, Mr. Joe Gormley, president of the NUM, said he believed the mining industry was not getting the production that should be achieved.

This was because of the mounting level of unemployment and also the mounting stocks of coal.

"We have to convince everybody of the future prospects of the coal industry. Then miners will not think that by increasing production they are putting themselves out of a job."

Other speakers at the conference included: Mr. Alexander Eadie, Parliamentary Under-Secretary of State, Energy; Dr. Wojciech Swider, Scientific Director of Zaklady Konstrukcyjno-Mechanizacyjne, Poland; Mr. P. G. Tregelles, Director of NCB Mining Research and Development; Mr. David Bowick, Chief Executive (Railways) BR Board; Herr Manfred Lahnstein, Ministerial Direktor, Bundesministerium der Finanzen.

The Consolidated Diamond Mines of South West Africa Limited (CDM)

(Incorporated in the Republic of South Africa)

Notice to holders of ordinary and preference share warrants to bearer

Meetings of Ordinary, and Preference Shareholders to be held on 6th October 1975

The attention of holders of this company's ordinary and preference share warrants to bearer is drawn to notices of meetings advertised in this newspaper yesterday on page 25 relating to the proposed schemes of arrangement ("the Schemes") between this company and the holders of its ordinary and preference shares other than De Beers Consolidated Mines Limited ("De Beers") and its nominees and subsidiary companies, to which De Beers is a party. In terms of the Schemes it is proposed to cancel the ordinary and preference shares not held by De Beers and in consideration therefor De Beers will allot 30 fully paid De Beers deferred shares of 5 cents each for each CDM ordinary share and one fully paid De Beers 8 per cent cumulative second preference shares of R1 each for each CDM preference share held.

Copies of the Scheme documents are available from the following offices:

Charter Consolidated Limited,
London Bearer Reception Office,
7 Rolls Buildings,
Fetter Lane,
London EC4A 1HX.

Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford,
Kent TN24 8EQ.

Banque Rothschild,
21, rue Laffitte,
Paris 9e.

9th September, 1975.

Premier (Transvaal) Diamond Mining Company Limited ('Premier')

(Incorporated in the Republic of South Africa)

Notice to holders of preference share warrants to bearer

Meetings of Deferred and Preference Shareholders to be held on 6th October 1975

The attention of holders of this company's preference share warrants to bearer is drawn to the notices of meetings advertised in this newspaper yesterday on page 24 relating to the proposed schemes of arrangement ("the Schemes") between this company and the holders of its deferred and preference shares other than De Beers Consolidated Mines Limited ("De Beers") and its nominees to which De Beers is a party. In terms of the Schemes it is proposed to cancel the deferred and preference shares not held by De Beers and in consideration therefor De Beers will allot one fully paid De Beers deferred share of 5 cents each for each Premier deferred share and 16 fully paid De Beers 8 per cent cumulative second preference shares of R1 each for each Premier preference share held.

Copies of the Scheme documents are available from the following offices:

Charter Consolidated Limited,
London Bearer Reception Office,
7 Rolls Buildings,
Fetter Lane,
London EC4A 1HX.

Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford,
Kent TN24 8EQ.

Banque Rothschild,
21, rue Laffitte,
Paris 9e.

9th September, 1975.

Setting a new course for the hovercraft

By DAVID FISHLOCK, Science Editor

FIVE YEARS ago, when Sir Christopher Hartley retired from a senior post at the Ministry of Defence to become chairman and chief executive of the British Hovercraft Corporation, he found a depressing situation, totally at variance with the popular notion of the hovercraft as a successful U.K. invention. The early enthusiasm of the hovercraft's two principal U.K. patrons, the Department of Industry and the Ministry of Defence, had cooled off alarmingly. Sales were rare and morale was pathetic. In short, everything seemed to be going wrong.

Soon afterwards a report commissioned by the Department of Industry from the Programmes Analysis Unit at Harwell forecast sales of only £90m. for both hovercraft and hydrofoils up to 1986. It also concluded that high operating costs would oblige commercial operators to charge a premium for the foreseeable future if they were to compete with slower vessels. Since then the increased cost of fuel has worsened the hovercraft's competitive position.

Sir Christopher Hartley, chairman and chief executive of the British Hovercraft Corporation. Behind him is Seaspeed's SRN-4, which, it is proposed, should be stretched to increase its payload to combat a new French hovercraft due in service in 1977.

Investment

The hovercraft failed to feature at all in the National Research Development Corporation's top ten inventions for earnings in 1972-73, a list which included dental cement and a drug extracted from snake venom. By 1974 the NRDC had invested about £3m. (of a total Government investment of about £15m.) over a 16-year period in hovercraft, for returns totalling a mere £1m. If he were backing the air-cushion principle in the mid-1970s, said Mr. Bill Makinson, then newly-appointed as NRDC's chief executive, he would put its money into industrial rather than transport uses.

For five years the British Hovercraft Corporation, as a wholly-owned subsidiary of Westland Aircraft, kept a low profile while the avuncular Sir Christopher strove to rebuild both morale and the order book. Not until this summer did he feel confident that the company had something worth saying. By then, with forecast earnings of £12m., it was profitable and contributing enough to Westland's turnover (£82m. in 1974) for the parent Board "to take notice again."

In fact, hovercraft account for only about one-third of BHC's £12m. earnings, the balance arising from a diversity of advanced engineering for space, marine, offshore and helicopter customers. Even so, BHC represents by far the largest component of the U.K. hovercraft industry, and it is to BHC that Britain must look if it is ever to make a commercial success of Sir Christopher Cockerell's famous invention.

In mid-summer, the company publicly announced that it had made a firm proposal to British Rail for the development of an advanced hovercraft designed to keep Britain competitive with France in high-speed, cross-channel traffic. Its idea was to modify the existing two 200-ton SRN 4 hovercraft operated by Seaspeed, the BR hovercraft subsidiary, at a cost of £5m. to £6m., as an intermediate step in the development of an entirely new hovercraft for the 1980s. BHC put up schedules which, it claimed, could give Seaspeed its first enlarged (270-ton) hovercraft by the summer of 1977, when France's 240-ton Sedam N500 (50 per cent. funded by the French Government) is scheduled to enter service, possibly between Boulogne and Dover, so competing directly with Seaspeed.

Briefly, the BHC proposal is that during the winter of 1976-1977 one of Seaspeed's hovercraft should be lengthened by the insertion of a new 55 feet section amidships, increasing its payload from about 30 to 55 cars and from 254 to over 400 passengers. At the same time it would be fitted with a new skirt—the flexible sac that retains the air cushion—six feet deeper, thus enabling the hovercraft to operate in seas rougher than it is allowed to at present. New and longer propellers, moreover, would permit the enlarged craft to travel faster yet more quietly while retaining the existing four Pegasus engines.

The second Seaspeed hovercraft would then be modified the following winter, almost doubling the operator's earning capacity at what BHC believed need be only a very modest increase in operating costs.

Behind the proposal stand five years of concentrated research and development that tacitly admits, in the words of Mr. Ray Wheeler, its technical director, "BHC was doing everything wrong." Beyond it is the prospect of a new generation of hovercraft for the 1980s, of up to 500 tons, which BHC now believes can be competitive with conventional ferries in operating costs.

The BHC case is that those five years of research, funded at its own expense, have produced major advances in the technology of hovercraft. Mr. Wheeler points to no less than four new skirt designs, all commercially confidential at present, which have been brought to an advanced stage of development. The faster the craft travels, the bigger wave it makes. This work, he believes, will reduce the total drag on a hovercraft by 20 per cent. by making the skirt follow the wave more closely.

Just how important a feature the "flexible engineering" associated with the skirt is in hovercraft technology can be gauged from its cost — about £60,000 for the SRN-4's skirt. And just how far it has come in performance in a decade or so can be seen from the fact that Hoverlloyd, Seaspeed's rival in the cross-Channel business, is now making SRN-4 skirts last about three years. In the early hovercraft they would scarcely survive a single trip.

It has also been said that to succeed the hovercraft needs an entirely new means of propulsion. So far it has made use of small aircraft prop-jets, "marinised" to protect them from salt-spray. Sir Christopher Cockerell has been working privately on this problem, and has come up with a novel and theoretically interesting design of high-speed paddle wheel with blades that remain vertical while in the water.

Mr. Wheeler recruited the hovercraft inventor as a consultant to BHC about three years ago. In concentrating on the propulsion system, Sir Christopher has his eye on the most spectacular hovercraft project under development at present. This is the 2,000-ton surface effect ship, for which the U.S. Navy last year awarded Bell Aerospace, BHC's U.S. licensee, a $36m. contract. It calls for design, development and testing of full-scale sub-systems and components for the proposed anti-submarine vessel, the only kind of ocean-going craft envisaged at present as able to chase a 50-knot nuclear submarine in the 1980s. The craft is expected to be propelled by a high-pressure water jet system.

In contrast to the Ministry of Defence, whose opinion of hovercraft by the late 1960s was summed up for me by the top official who said: "We were offered a weapon at aircraft prices with a tenth of an aircraft's speed," the U.S. Navy has consistently supported Bell Aerospace since the mid-1960s. In April last year the company established a new world speed record of 80 knots for its Navy-funded SES-100B.

Bell Aerospace also claims to have discovered another novel role for hovercraft. Early last year one of its small 45-ton Voyageur hovercraft inadvertently became an ice-breaker. While operating over ice in Canada its crew discovered that the ice was surging up in waves 4 feet high and shattering in the wake of their craft. Later trials disclosed other icebreaking propensities.

BHC has a foothold in the $36m. Bell Aerospace contract, with a sub-contract to assist in the design of the bow skirt, for which it has built a new test rig at its laboratories at Cowes. But it estimates that the U.K. Government has spent only £9m. with the company altogether, of which £4m. went on research and development (compared with £11m. of company money) and the other £5m. on the purchase of hovercraft and spares.

Sir Christopher Hartley has stressed that in putting its proposition to Seaspeed it was not seeking further Government funds for hovercraft development — the Government terminated its support last year — but merely its sanction for a "straight commercial contract." But he also admits that, with the only two substantial orders it has ever landed—£14m. for craft for the Imperial Iranian Navy and nearly £10m. for craft for the Saudi Arabian Coastguard—now virtually fulfilled, it will be in serious difficulties if British Rail rejects its proposition.

In fact, in the aftermath of the Chunnel's cancellation there is clearly a need to consider extra investment in cross-Channel transport for the 1980s. Seaspeed itself is enthusiastic about BHC's proposition for "stretching" its hovercraft, and its managing director, Mr. John Lefeaux, has expressed confidence that his company could work up a strong case to put before the BR Board.

The significance of a favourable decision for BHC is that it will provide a strong enough cash flow for the company to continue with its development of the new generation, designated the BH 88. According to Mr. Richard Stanton-Jones, BHC's managing director (and the man credited with making the flexible skirt work), if all the engineering developments envisaged at present, including use of a new propulsion plant such as the Rolls-Royce Tyne, were brought together "we're talking about a 40 per cent. reduction in power and a 60 per cent. reduction in fuel." Whereas the current cross-Channel hovercraft use 6 pounds of fuel per ton-mile carried, the "stretched version" is expected to need only 4.2 pounds, and the BH 88 as little as 2 pounds per ton-mile.

Yet the question remains that has beggared the hovercraft since its inception: Have we yet found the right application for a revolutionary method means of surface transport? Is BHC still setting its sights too low in depending so heavily on support from British Rail, so hard-pressed for cash and within which there is by no means unanimity of support for hover-ferries in competition with more conventional transport?

The fortuitous Canadian discovery of an entirely new application for hovercraft, in ice-breaking, should stimulate the search for more adventurous markets, perhaps providing better transport for oil-rich nations for which any expansion of conventional lines of communication must be both an expensive and a very protracted affair

APPOINTMENTS

G. S. Mitchell heads ESA International

Mr. G. S. Mitchell has been appointed chairman of ESA INTERNATIONAL, the new company formed by the Hollis/ESA group. Mr. Mitchell is also vice-chairman and group managing director of Hollis Bros. and ESA and chairman of the Educational Supply Association and of Hollis Bros. Lt.-Col. L. G. Flanders has become Director General of ESA INTERNATIONAL. He was previously director of the Educational Supply Association, Esavian and other related companies. Mr. S. J. Gaster has been appointed a director of ESA INTERNATIONAL. He was previously a director of International Teaching Equipment and Materials, based in Beirut.

★

Mr. R. W. Whittaker has been appointed chairman of CENTERTEX (U.K.) in succession to Mr. H. J. Williams (deceased). Mr. G. R. Legat is now managing director of Centertex (U.K.), Manchester, and Miss I. L. Rasmussen (Danish) has also been elected to the Board.

★

LAWS STORES, the Tyneside-based supermarket chain, has appointed Mr. Peter M. Kilby as managing director from October 1: Professor W. G. McClelland, chairman, who has been acting as managing director since January, will return on October 1 to his post as director of the MANCHESTER BUSINESS SCHOOL.

★

Mr. G. H. Briscoe has been appointed manufacturing director of Turner and Newall's subsidiary, FERODO.

★

Mr. Denis W. Kellaway has been appointed deputy commissioner at the headquarters of the NATIONAL SAVINGS COMMITTEE from October 1 on transfer from the South Eastern Region.

★

Mr. Harry O'Brien has resigned the managing directorship of SYNERGY LOGISTICS, the Hitchin-based distribution planning company formed around the Roadnet and Transit computer packages he designed in 1970. Mr. O'Brien is succeeded ... Frederick Jones, previous... consultant, but remains ... Board of Logistics.

★

Mr. Seamus McGrath ha... the Board of LESLIE & G... (IRELAND), which is ... of CROTTY MACRED... FOLEY WOOLLAMF (1... Cork, and FRED CULL... Limerick.

★

Mr. John C. Greves ha... appointed to the new ... group financial controll... DOWDING AND MILLS... nationwide electrical ... mechanical repair engine... will be based at the ... Birmingham headquarters...

★

Mr. A. D. George is ret... head of the Home Marketin... sion of STAVELEY MA... TOOLS on September 30... continue to act in a cons... capacity to the company... that date. Mr. J. Campe... of the Export Marketing ... of Staveley Machine Too... been appointed com... director, covering both ho... export marketing.

★

Mr. John L. Marshall, ... and manager of market... INTERNATIONAL HAR... COMPANY of Great Britai... March, 1971, has left to ... a new position in the O... Division of the parent co... As manager, export sales... tions, he will be based on ... Venezuela. The new ... marketing manager is Mr. ... C. Thackrah, previously ... of export sales. Joining ... pany as his replacement ... Robert E. Johnson, ... general manager of Inter... Harvester's operation a... Rico.

★

EMPIRE STORES (BRAD... has appointed Mr. A. R... a director.

★

Major Hywel Richards ... tired as a director of BUC... BREWERY. Mr. Colin ... Thomas has been appoi... director.

HOME CONTRACTS

AAF wins £1.5m. air pollution order

AAF LTD., of Camlington, Northumberland, has received a £1.5m. order for an air pollution control system from the British Steel Corporation. AAF Ltd. will provide a 24-compartment AMERtherm fabric collector, ductwork and air handling equipment on a turnkey basis for four electric arc furnaces at BSC's Special Steels Division, Stocksbridge Works, Sheffield.

★

DEXION has been awarded a contract by Taylor Woodrow Construction (Midlands) fo... than £1.5m. worth of ... equipment. The equipment ... a new warehouse complex ... RAF at Stafford.

★

An £800,000 contract fo... describer equipment ... installed in the Doncaster ... and Scunthorpe areas ha... awarded by British Rail ... Region, to the WESTING... BRAKE AND SIGNAL COM... which is also undertakin... £7.5m Doncaster resig... contract announced previo...

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هكذا من الأصل

BOOKS

Pursuit of Nancy

C. P. SNOW

ncy Mitford, a memoir by Harold Acton. Hamish Hamilton. £5.25, 239 pages

Nancy Mitford died only two urs ago, and it seems very ly to be producing a bio- phical memoir. Anything pub- ied now, if the writer has any ve-ends at all, is going to be strained. He has to remember t her intimates are still feel- immediate grief. Instant bio- phies, in the nature of things, 't be much more than ended obituary notices, and an undesirable modern mani- tation. In this present ex- ple, Sir Harold Acton gives impression of suffering from these inhibitions. He hasn't n able to express himself with customary authority and a. What he has done, which s the most desirable choice at s moment, is to write an affec- nate personal tribute. That l give pleasure. It will also nd in the way of a detached atment in ten or twenty years e, which might be able to get whole Mitford aesthetic- ial society into some sort of spective.

Obviously Nancy Mitford de- ves all the affection that Sir rold expends upon her. There nothing forced about that. In t, affection is one of the dest things for a good writer force. She was amiable, good- ured to her friends, high- rited, eternally hopeful, in ne ways curiously young right ough her life. She was cour- ous, and endured a hideously inful illness for years, until it led her at the age of 68. The ease appears to have been a ry rare one, of which I for one d never heard.

n the old-fashioned upper-class nner with girls' education, Nancy Mitford had had remarkably little, but she was clever and shrewd. She was probably too optimistic to be a good judge of people. She had one of those temperaments which made her destined to be more loving than loved. That was a disastrous handicap to someone aspiring to lead a hedonistic life. She seems never to have found a man who returned her love. Her husband didn't, nor did the great love of her life, though he (a Frenchman referred to in this book as the Colonel) gave her support and strength for many years. In major emotional terms, she had an unsatisfactory and unhappy life, but she sustained it with gallantry and her spirits were so high that she enjoyed a great deal of it more than most of us.

This is the picture which Sir Harold presents, and it is an attractive one. There may have been other aspects which he damps down a bit, but nevertheless, the personality stands out. Perhaps her particular brand of high spirits would have maddened some people, and told of some fragilities in her nature. There was altogether too much giggling and coyness fizzing away among her and her friends. In his less forgiving moods, Sir Harold would have had some feline remarks to make about that, but he just impassively sets down the evidence, letters, accounts of conversations and leaves it there.

The only time he lets the old Actonian derision have a run is not on his heroine but on two other people. One is Peter Rodd, Nancy Mitford's husband. Rodd was the original of Evelyn Waugh's Basil Seal. To Sir Harold, that seemed an extraordinary example of Waugh's romantic imagination. In the flesh, Rodd turned out to be the most ineffable of bores, emitting *inaudible monologues for hours*, giving information, always inaccurate, in which no one round him was remotely interested. As for Violet Trefusis, Sir Harold uses his considerable talent as a delineator of comic characters. Violet Trefusis would have been suffused with rage. Not so Nancy Mitford, who wasn't without her share of lively malice.

Those two asides disposed of, Sir Harold is on his best, or at least his most decorous behaviour, and he has made a tribute of genuine private affection for Nancy Mitford to which we can vicariously add our share. What doesn't shine out so clearly is what he really thinks of her writing, or of the aesthetic and intellectual values of her little world.

It is, as I suggested at the beginning, too early to say much about either. As a provisional opinion—she was an agreeable and entertaining light novelist. Anything more? It is doubtful. It is entirely absurd to suggest that she was a modern and more socially elevated Jane Austen. That has beed said, but it is just flibberty-gibbet gossip. Will the books last? Anyone's guess. Light novels, and even more light plays, aren't usually very good bets for survival. All generations like to create their own in their own idiom. Think of the plays which amused audiences before the last war, and think of the novels which set out explicitly to be first and foremost *funny*. Nearly all of them are, at least temporarily, extinct.

Sir Harold, in one of his few critical assaults, remarks that academic historians are incapable of being fair to Nancy Mitford's historical portraits. In turn, he is being unfair to the younger school of academic historians. Several of them write entertainingly themselves, encourage the same thing in amateurs, and have rejuvenated the whole art of historical biography.

As for the Mitford circle, it may attract interest in the future, as Bloomsbury *is doing now*. But, though some of the Mitford circle were clever, the climate does strike one as pretty mindless. It is very easy, *of course*, to be both clever and mindless. Compare, not Bloomsbury, which contained a *professional* intellectual of genius in Keynes, but Holland House in its high days. That circle was smart enough to make any of Nancy Mitford's friends envious, and it also contained some serious and concerned minds. Byron, when he wasn't being byronic, could *get down to responsible thinking*: so could some of the less exalted figures, like Sydney Smith. On present evidence, they would have been more rewarding and mentally robust company than anything Sir Harold suggests in this memoir.

Nancy in 1947, a detail from the painting by Mogens Tvede

Pioneer town planner

BY PETER KEATING

A Most Unsettling Person: An Introduction to the Ideas and Life of Patrick Geddes by Paddy Kitchen. Gollancz. £6.50, 319 pages

The appropriate title for this study of one of the pioneers of town planning in Britain comes from Patrick Abercrombie. Describing the Edinburgh Room at the Town Planning Exhibition of 1910 at Burlington House, he wrote: "Within this den sat Geddes, a most unsettling person, talking, talking, talking — about anything and everything." The talk is all-important for throughout his life Geddes was primarily a teacher, an inspirer of other men, a planner who rarely put his own plans into action. He understood his role and was contented with it. "I am like a cuckoo," he once said, "who leaves her eggs in other birds' nests, and is only too glad to have someone else feed them and care for them."

Interest in Geddes to-day centres mainly on his prophetic concern with the growth and development of city life. The many strange words he coined to describe urban living have, apart from "conurbation," not survived, but the issues to which they were intended to draw attention are more alive than ever before. He was an environmentalist and ecologist, an advocate of community participation in civic development, and a passionate believer in the blending of town and country. His insistence on thorough town surveys which would analyse every conceivable aspect of local life and environment before any action was taken, has made him one of the founding fathers of what are now called Urban Studies.

Nothing illustrates this more convincingly than his study *City Development* which first appeared in 1904 and was usefully reprinted last year by the Irish University Press. In 1903 Geddes was invited to submit plans for the development of Pittencrieff Park, Dunfermline. Characteristically he moved *far beyond his brief and* produced a report that examined the Park from every possible angle, placed it in relation to Dunfermline as a whole, and argued movingly for the creation of a town that would reflect the history, geography, and constantly evolving life of the people. The trustees of the scheme politely acknowledged the strength of his imagination, paid his expenses (after a struggle), and put aside the report which Geddes then had published in a limited edition as *City Development*. Though less well-known than his *Cities in Evolution* (1915), it remains the most accessible introduction to his teaching.

As Paddy Kitchen shows in *A Most Unsettling Person*, Geddes was more used to rejection than acceptance. Time and again he applied unsuccessfully for academic posts, and those he did hold had to be created especially for him. Trained initially as a biologist he spurned narrow specialisation and moved through the natural sciences to sociology and town planning, searching always for some means by which he could communicate his "synoptic" vision. He found it in the Cities Exhibition which he took to many countries, most notably India where he wrote reports on the redevelopment of fifty towns and cities.

Miss Kitchen is better on Geddes's life and multifarious activities than on his ideas, many of which *remain* as uncertain and puzzling as they must have been to his contemporaries. And this is understandable. He was an "unsettled" as well as an "unsettling" person, a prophet who demanded involvement but willingly acted the part of an intellectual "cuckoo." The two most enduring architectural monuments to his memory are quite symbolic. They stand at the top of the Royal Mile in Edinburgh, the city that meant more to him than any other. Side by side are the Outlook Tower ("the world's first sociological laboratory") and the delicate incongruous facade of Ramsay Garden. As in Geddes's life, solid work, fleeting vision, and fragile achievement, are there blended together.

Lilly's crystal ball

BY ROBIN LANE FOX

Familiar to All by Derek Parker. Jonathan Cape. £5.50, 272 pages

William Lilly, son of a Leicestershire yeoman farmer, set up as an astrologer in London in 1632 and made a name for himself, not least by his horoscopes during the Civil War. Derek Parker is married to a keen astrologer and has written Lilly's biography. In its way it is a pleasant book on a subject which historians now find rather awkward. This is not, as you might suppose, because of Dr. Rowse and his battle with the "haleks," "halek" being (in Rowse's view) a cryptic cover-name for sex in the diaries of Forman the Elizabethan astrologer. The difficulty is that no historian takes astrology seriously, although his men under study so obviously did.

Emphasising this system of belief as "alien," the historian has summoned up anthropology and tried to link his view of astrology to an anthropologist's view of, say, witchcraft among African tribesmen. Like witchcraft, astrology might be classed as an explanation of misfortune. It can also be seen in its social context, a woolly phrase which does, however, put life back into dry charts and technical information.

There is still the risk of taking it too seriously and functionally. Forman's diaries show that there *was more to an astrologer's* clientele than blind credulity or social maladjustment. I am not sure that it is really all so alien, either. Whatever you think of the Treasury, faith in economists and in theories which are openly admitted to be "heuristic," not descriptive, I can well believe that three centuries hence, there will be a thriving thesis-industry on the continuity of belief from Old Moore's Almanack to charts financial and astrological.

Mr. Parker knows the new method but is not concerned to apply it, no doubt because he can still take astrology seriously as a science on its own merits. Historians will not hurry to read him, but he writes most fluently and has an exceptionally sharp eye for a pleasant detail. He also knows where a story should stop. This sensitive use of anecdote is not common. There are very few good stories in the present which bear a drab retelling in other people's words: there are just as few in the past, though the number of history books which refuse to recognise this is one reason why social history is seldom read. Of course 20 supporting examples are better for a theory than two, but they need only be cited by references outside the text. Too often they are re-told in banal prose as an interruption which switches time, place and subject every five lines. Mr. Parker keeps his anecdotes firmly within his storyline. *He quotes original sources* whenever possible, and 17th-century prose is always a pleasure. There is some vivid material. More than 170 new newspapers and the like sprang up in London between 1642 and 1649. A Civil War, clearly, is a good way of saving the Press.

Astrology made Lilly a fine free-lance living, at least initially, and he bought Hurst Wood, a house in Surrey with 18 acres. During the Civil War he spoke out for Parliament against the "White King," a chance which increased his fame. He was connected with Ashmole, Whitlocke *and others, for astrology was no* vulgar street-superstition. Mr. Parker observes acutely that his support for Parliament gave him the worst of both worlds.

The parliamentarians were "temperamentally less sympathetic to astrology than Royalists"; eventually Charles II returned and Lilly's own chart looked less attractive in view of his past. Astrology was the jealous profession of self-made men who relied on their personal powers and therefore maligned their rivals. Lilly needed a thick *skin and there was always* the danger of Presbyterians who hated its "foreknowledge" for religious reasons.

The Popes, incidentally, had favoured the art within limits, though two Papal bulls forbade predictions that a man would necessarily practise sodomy because of his birth sign.

How often was Lilly correct? Mr. Parker implies he did rather well, except for the prediction of a long reign by Richard Cromwell, two months before he failed. Astrologers can always evade the errors. The hour of a man's birth was very seldom known or recorded in 17th-century England, so horoscopes were cast round the hour of the question, not the birth hour of the persons. Had they kept proper account of themselves, no doubt the questioner would have enjoyed more accurate results.

Fiction

All through Jenkins' ear

BY T. C. WORSLEY

earing Secret Harmonies by Anthony Powell. Heinemann, £3.10, 272 pages

Anthony Powell here brings s 12 volume novel *A Dance to e Music of Time* to a triumphant *conclusion*. This last one the series equals, or indeed rpasses, all the others. But en I have thought that about ch one of them (except the enultimate); but I certainly inte anyone who has previously uestioned the very high worth ome of us put on this achieveent to read the first few chapters of *Hearing Secret Harmonies*, and I defy them not to mile, chuckle and even at times ugh out loud as they turn the ages.

This is all the more of a triute to Mr. Powell's command of is characters and his language that they contain two seteces which might be accused doubling each other, for each a banquet, but they are subtly nd convincingly different. The rst is the dinner given for e author of the book awarded me sort of prize similar in lendour to our own Booker rize.

The narrator of the whole ries, Nicholas Jenkins (more evidence here in person than the earlier novels), is present a member of the awarding mmittee, and after much of e kind of manoeuvring that kes place on these occasions e prize has finally gone to a ographer of the novelist X. apnel, who was a leading figure the previous volume, a wild hemian who had cuckolded dmerpool and perhaps en responsible directly or inrectly for his wife's suicide.

There is a complication in that idmerpool is a member of the ust which administers the ize and so has to be consulted case he should raise natural ough objections to a book which couldn't but bring in allusions to this episode.

But Widmerpool doesn't mind a bit. That Lord Widmerpool of some ten years ago has now been transmogrified into a "call-me Ken" Widmerpool, the permissive Vice-Chancellor of one of the new Universities where he has allied himself with the "alternative society" and this in spite of, or perhaps because of, two female students flinging a pot of red paint over him when he was engaged on one of the (as they thought) ridiculous and out-dated public rituals which Vice-Chancellors have to perform.

Widmerpool's only condition is that he should be one of the guests at the prize awarding ceremonies, and that room shall be found also for the two girl students responsible for the paint outrage and with whom he is now *tie*, though exactly in what role remains undisclosed. But outrage, being what had brought them together, not quite unexpectedly, provides the climax of the dinner.

Widmerpool is also present at the other function, the Royal Academy banquet, where his crumpled suit and dirty red turtle-necked sweater once again distinguish him from the other guests: but on this occasion it can pass unremarked even among white tie and tails as well as dinner jackets—for several artists express their contempt for the institution by sartorial outrages. Nicholas is sitting next to a marvellously well-etched *character, a Canon*, who specialises in necromancy, magic, exorcism, mysticism and suchlike, and in keeping them within due canonical bounds. This is a subject which Nicholas had only recently come across, a band of young people, including daughters of friends of his having asked permission to station their caravan in his field overnight.

He had been much struck by the young man Scorpio Murtlock, who though seeming somewhat androgynous, ruled this band of neophytes with a very firm hand. He was not surprised that the beady-eyed Canon had, *in fact*, encountered this young man in his professional capacity. More surprising was that Widmerpool should come across, when the guests were circulating after the banquet, asking the Canon to put him in touch with the young leader. Was Widmerpool planning to join this raggle taggle company of sorcerers, and, *if so*, wouldn't there be a clash for leadership between Widmerpool and the present leader?

So it was to turn out, and the direction that the struggle was to take manifested itself when the coven gate-crashed a wedding party at Stourwater, once the home of Sir Magnus Donner and now a girls' school hired for the occasion.

A family wedding, besides providing a somewhat bizarre venue *for this struggle for power, also* provides Nicholas with an opportunity for gathering news of acquaintances and relatives and the current gossip about them. For there is a sense in which this long-flowing set of novels is gossip, but gossip brought to the highest of art, about a society consisting of members of the professional classes and what used to be called the "well-connected" which, at least up to the 1960s, still formed a fairly cohesive group, acquaintances if not friends of each other.

Mr. Powell, through his narrator, Nicholas Jenkins, has watched them with a cool detachment and recorded both what he saw and what he has heard about them and their doings over the years. And it is the stance adopted by Nicholas Jenkins which has given both its flavour and its coherence to the long work. It is difficult to describe this stance except it is not comic in the crudest sense, although a faint smile is the most frequent as well as the most obvious manifestation that it provokes.

Mr. Powell-Jenkins (hyphened names being a speciality of the species he examines) holds up his specimens for our examination with a mixture of irony and a mocking affection which endears them to us and invokes our impatient interest. We are always anxious to hear news of them and this comes, if not in specific scenes, in allusions, memories *or recorded anecdotes*.

We have watched them over a long period, even since Mr. Powell-Jenkins was at school (Eton, *of* course) until now when he is in his early 60s and they are all alive—even those who have died — in recalled remembrances or contrasts.

Thus we have in miniature a documented social comedy, a high comedy of a class no longer important nor much engaged in the business of managing or in the corridors of power. What *they have been left* with is an eccentricity and idiosyncracy in their private lives, much more *singular and remarkable than* those who have discounted them as has-beens, are prepared to recognise. They are preserved here in the aspic of Powell-Jenkins's long, discursive and (except in the penultimate volume) beautifully handled prose. The sentences wind their way *through the qualifications and reservations which accompany* any judgments with a rhythm that delights the ear.

This may sound like a device leaning heavily on echoes of Henry James. But it is not so in the least. There is nothing borrowed or second-hand in this writing. It is a pattern patented entirely by and for Mr. Powell, and it bears his stamp in each convolution. From the Elysian fields I shall be most surprised —supposing surprise is permissible in the Elysian fields — if *A Dance to the Music of Time* in all its 12 volumes is not to be seen on the bookshelves of *the future*.

Anthony Powell: end of the dance

One man, one war

BY ISOBEL MURRAY

Guerrillas by V. S. Naipaul. André Deutsch. £3.25. 253 pages

The Needle by Francis King. Hutchinson. £3.45. 233 pages

A Picture Of Innocence by Hugh Fleetwood Hamish Hamilton. £3.50. 201 pages

The island is oppressively a place of decay and squalor, of ruined plantations and unsuccessful, half-hearted, rusting industrial complexes. It is acutely observed and oppressively *there*, throughout V. S. Naipaul's new novel, *Guerrillas*. It is clearly bumping towards another crisis in its corrupt, inefficient political life, and everyone says there are guerrillas, wild men, in the hills. But the novel is concerned with a world where there is nothing to fight for, where, in the words of the equivocal Messiah James Ahmed, "Everybody wants to fight his own little war, everybody is a *guerrilla*."

The people we meet there are all to some extent equivocal, ambivalent, perhaps self-deceiving, and there is no reliable point of judgment: much of the story is observed by Jane, the visiting Englishwoman who attempts to snatch emotional revivification from every experience, and who is both shallow and profoundly perverse. She has no real personality, mind or belief: chameleon-like, she acquires a little from every passing man. She comes to the island after Roche, South African exile and author of an anti-Government book, who is searching for a role here—and maybe running away too.

Roche has supported James Ahmed, the local revolutionary with a people's commune on the land, which despite unwilling assistance on all sides seems as inefficient and decadent as everything else on the island. James made a big noise in England with the media, but here he is comic in some lights, especially the wish-fulfilment of his writing, but alarming in more, and the politicians fear him.

Jane and Roche (the Brontë undertone perhaps indicates a world of passion and violence: Ahmed lives at Thrushcross Grange) live in the rich, impermanent part of town, the Ridge, and are often presented to us directly, in dialogue, especially with Meredith, local politician and radio interviewer, who may or may not eventually be used as a fall guy by the government. *Roche's self revelation* takes place in a culminating radio interview with Meredith, where the appalling insolubility of the problems of the island and the rickety complex of his motivations are both uncovered.

The novel covers a convulsion in the island's public life, and a shocking climax in private. Despite Mr. Naipaul's refusal to judge directly, this novel has a tough, almost a ruthless honesty that makes it most disquieting, and despite the very individual nature of the island, it becomes a disquieting metaphor for the human condition.

Francis King creates the locale of *The Needle* with just as much care, and it is equally important. The big old house in Parsons Green is where Lorna was brought up, where her father died, his son was posthumously born and his wife remarried. The stepfather loved Lorna but rejected Bob, the beautiful, graceful boy five years her junior. Lorna and Bob began a relationship that was closer, somehow, than any other Lorna achieved, certainly closer than that with her elderly husband, sadly closer than that with her grown daughter Edie.

When the novel begins, Bob's mysteriously sudden return from Kuala Lumpur three years earlier has strained Lorna's social life: her crippled partner Matty who shares the basement surgeries with her senses Bob's dislike and now rarely ventures in, and Edie refuses to return while Bob is there.

Lorna is very slow to become uneasy about the little brother she has loved and protected since she first gave him the insulin injections he was too squeamish to give himself. But even she gradually finds that too many circumstances are inexplicable, worrying. What does he do? Where does he go? What does he live on?—since the occasional earnings as film extra surely are not enough.

Once roused, Lorna's imagination is hectic, if misguided, but when after desperate worry she learns the grim truth, her love for Bob transcends her normal response and even her medical conscience. This is a fine and frightening book, because the characters, especially Lorna, are built up so undramatically, so convincingly, so relentlessly, until the sombre climax is both unthinkable and inevitable.

In *A Picture of Innocence*, Hugh Fleetwood is also concerned with the abnormal, even the mad. But, typically in Fleetwood, it is difficult for most of the novel to be certain where the true madness lies. Dick has been driven to desperation by his maddish wife Graziella and the misery she makes of his life and those of their teenage twins. So at last he plots her death, plots her disappearance too, with the tiny Fra Angelico painting belonging to the dwarf Carlo, the only person Dick seems truly to love.

But when Dick steals the painting Carlo's wife Flora dis*appears instead of Graziella, and* Dick finds himself in a state of unknowing between sanity and madness, the pawn, he believes, of two elderly art dealers.

Already this account sounds totally unconvincing, and to relate further twists of the plot would be to invite total incredulity, but Hugh Fleetwood has created a tight, gruesome and compact study of the nature of guilt and innocence which makes his novel more than just a thriller, and not easily forgettable.

U.K. ECONOMIC INDICATORS

General	Unit	1975 Aug.	1975 July	1975 June	1974 Aug.	1974 July
Unfilled vac's ¶	'000s	134.0	128.7	141.3	406.6	451.7
Unemployed ¶	'000s	1,250.3	1,087.8	869.8	656.3	566.8
Currency resvs.	$bn.	6.004	6.259	6.198	6.842	6.680
Manf'd prods. d	1970=100	193.7	191.7	189.0	156.1	153.5
Bank advances b	£bn.	14.064	14.255	13.646	n.a.	n.a.

		July	June	May	July	June
Retail prices ...	Jan. '74=100	138.5	137.1	134.5	109.7	108.7
Wage rates	July '72=100	183.3	181.1	175.4	139.8	135.4
Basic mater'ls d	1970=100	235.9	230.2	228.2	213.3	213.9
Terms of trade	1970=100	82.5	82.1	80.8	73.8	73.2
HP debt¶	£m	2,246	2,257	2,284	2,306	2,321
Rtl. sales val.**	1971=100	174.4	172.1	165.9	146.5	143.4

		June	May	Apr.	June	May
Indust. output**	1970=100	100	101.2	102.0	106.6	107.5

Trade and Industry		1975 July	1975 June	1975 Jan.-July	1974 July	1974 Jan.-July
Imports f.o.b.**	£bn.	1.840	1.508	1.708	1.810	1.674
Exports f.o.b.**	£bn.	1.546	1.438	1.500	1.336	1.225
Visible trade balance	£bn.	−0.294	−0.160	−0.208	−0.474	−0.449
Comm. vehicles*	'000s	32.4	28.2	33.1	27.8	32.3
Cars*	'000s	122	91	106.7	93.7	131.5
TV sets‡‡	'000s	194	169	224	263	260
Radios, radiograms‡‡‖	'000s	345	381	376	394	470
Steel (weekly average)*	'000 tonnes	266.3	341.8	403.4	399.2	431.1
Houses cmpltd.¶	'000s	27.0	26.8	24.7	22.3	21.9
Bricks*	m.	421	418	412	481	483
Cement (wkly. average)*	'000 tonnes	334	351	329	375	350

		June	May	Jan.-June	June	Jan.-June
Man-made fibres*	m. kgs.	47.00	53.64	46.31	55.33	58.19
Petroleum†	m. tonnes	5.68	6.22	7.04	6.25	7.71

		May	Apr.	Jan.-May	May	Jan.-May
Furniture†** ...	1970=100	148	162	152	130	136
Raw cotton (wkly. average)	'000 metric tonnes	2.54	1.87	2.06	2.44	2.27
Hosiery*	1970=100	85	82	85.6	102	98
Engrng. (orders on hand)** ...	1970=100	116	117	120	138	141
Elec. cookers† ¶	'000s	62.9	79.1	74.8	67.7	73.7
Washg. mchns.†	'000s	69.5	113.1	89.8	84.6	78.1
Machine tools†	£m.	24.7	24.4	24.9	20.1	18.5

		Apr.	Mar.	Jan.-Apr.	Apr.	Jan.-Apr.
Raw wool§	m. kilos	9.6	9.3	9.2	11.0	9.4

		2nd qtr.	1st qtr.	Year to date	2nd qtr.	Year
Consumer spending	£bn. 1970 values	8.950	9.059	18.009	8.782	35.756
Motor trade turnover	1972=100	145	137	141	122	115

		1975 1st qtr.	1974 4th qtr.	1974 1st qtr.	1974 Year	1973 Year
Bldg. and civil engineering e...	£bn.	2.655	2.556	2.364	10.101	8.984

* Production. † Deliveries. ‡ Net sales. § Consumption. ¶ Great Britain, not seasonally adjusted. ** Seasonally adjusted. †† All manufacturing industries. ‖ Excluding car radios. ‡‡ Deliveries, U.K. made and imported sets. b From May, 1975, onwards new basis of calculation refers to advances to U.K. public and private sector. Historical figures on new basis not available. d Prices. ¶ Including cooker griller toasters. e Value of output.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Down 10 on oil price rise fears

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Sept. 10.

INFLATION AND interest rate concerns sent the stock market into a deep slide for the second day in a row.

The Dow Jones Industrial Average was down 10.09 at 817.66 to make a two-day fall of 22.45. The NYSE All Common Index dropped 48 cents to $44.52 and declines led advances by 1,140 to 251. Trading volume was 1.01m. shares down at 14.78m.

Some analysts said Wall Street is plagued with a fear that inflation may restrain the economic recovery believed to be just getting underway.

They also say there is worry the inflation problem may be aggravated by the possibility of a boost in world oil prices by the Organisation of Petroleum Exporting Countries later this month and by the removal of price controls on domestically produced oil.

As for the interest rate situation, there have been murmurings that bank prime rates may move up to 8 per cent. from 7¾ per cent. soon as a result of firmness in short-term interest rate indicators recently.

Among the day's softest spots in heavy trading were Zenith Radio, down $2¼ to $20¼ on 306,500 shares, and Bethlehem Steel $1⅛ lower to $37⅞ on 131,800 shares.

Less active but also down a point or more were Du Pont, off $1½ to $120, Stauffer Chemical, $2⅞ to $32⅞, Burroughs $1½ to $35½, Ford Motor $1¼ to $35⅜, and Texas Instruments, $1 to $88⅞.

Amax Inc. surrendered $⅞ to $50½. The company predicted lower third quarter earnings.

Polaroid eased $¼ to $33⅞, but Sony edged up $¼ to $8⅞, reversing a recent downtrend.

IBM gained a point to $178 after having traded as low as $177⅞.

Oils were narrowly mixed.

The American SE Market Value Index fell 0.97 to 84.12, and trading volume was up 30,000 shares at 1.45m.

Syntex eased $⅞ to $29⅞, while Imperial Oil "A" dipped $¼ to $24¼.

Ashland Oil Canada picked up $2¼ to $11⅞. The gain followed an announcement that Brascan Ltd. made a tentative oral proposal for the purchase of Ashland shares. Brascan's Ltd. "A" was unchanged at $10⅞.

OTHER MARKETS

Canada lower

The general decline on Canadian Stock Exchanges continued in light trading yesterday.

Industrials were off 1.32 at 183.20, Base Metals 0.79 at 78.24, Western Oils 2.54 at 180.18, Utilities 0.67 at 124.74, Banks 0.21 at 273.28 and Papers 1.28 at 106.55. Golds firmed 2.17 to 314.86.

PARIS—Declined under the impact of higher money rates, the overnight Wall Street trend, pessimism over the Government's economic measures and the small volume of trading in recent weeks.

Virtually all sectors were affected, with Banks, Foods, Breweries, Constructions, Rubbers, Electricals, Oils, Chemicals and Stores all losing ground. Portfolios and Metallurgicals were mixed with Engineerings easier though Properties firmed slightly.

All Internationals lost ground with the exception of mixed Dutch and steady Golds.

BRUSSELS—Most Locals fell, influenced by Wall Street, but trading remained quiet.

Electrobel, up B.Frs.40 at 6,240, was the only leader to show a gain, while losers included Sofina, UCB, Solvay, Cockerill, FN and Arbed.

In Foreigns, British, Germans, U.S. and Dutch fell and French were slightly lower.

Gold Mines were little changed except President Steyn which rose. All three Petrofinas eased.

AMSTERDAM—Eased generally in quiet trading on Wall Street's overnight fall. Philips and AKZO led Dutch Internationals lower while Royal Dutch also eased ahead of to-day's interim dividend statement.

Losses elsewhere were led by CSM, Ahold, Van Ommeren and major banks. Amev and VMF weakened on their half-year results while Naarden fell 1.3 to Fls.44 after announcing short-time working.

SWITZERLAND—Closed slightly easier in very quiet dealings, influenced mainly by Wall Street's renewed setback.

Inter-Food, Oerlikon-Buehrle, down 35 at Frs.1,130, and Juvena Bearer lost ground among Financials.

Among Internationals dollar stocks declined over a broad front, led by Kodak, General Motors, U.S. Steel and Xerox. Dutch and Germans drifted lower.

GERMANY—Shares generally fell between DM2 and DM4 in reaction to previous highs and influenced by Wall Street's weaker trend.

Motors and Engineerings led the market down. Daimler, which said 1975 production would be a record, fell about DM4. Leading Banks shed DM2.40 to DM2.50, while in stores, Karstadt fell DM7.

Public Bonds were again unchanged as the regulating Banks had to buy up DM14m. nominal of paper.

MILAN—Closed slightly easier on scattered profit-taking.

Fiat, Generale Immobiliare, Snia Viscosa, both Olivettis and Assicurazioni Generali booked slight losses, while Pirelli E.C. and Bowring gained against the trend. Bonds drifted lower.

OSLO—Banks and Insurances were quiet while Industrials and Shippings were slightly weaker.

VIENNA—The market was lower, including Laenderbank Preferred among Banks and Semperit in Industrials.

COPENHAGEN—The market was mixed in very active dealings, with Banks generally higher led by Landmandsbank, while losses were headed by East Asiatic Forenede Bryggerier and Superfos in Industrials.

HONG KONG—Fell again in thin trading in line with Wall Street overnight and on lack of buying interest.

Among leading issues Hong Kong Bank lost 30 cents to $HK15.50, Jardine Matheson 20 cents to $HK23.0, Hong Kong Land 15 cents to $HK6.30, Hutchison 4 cents to $HK1.71 and Wheelock Marden 2.5 cents to $HK3.60.

AUSTRALIA—closed firmer in moderately active trading on sustained buying support.

Energy stocks and selected Industrials led the rise including AAR, Coal and Allied, and Thiess in Coals and in Oils, Woodside Burmah and Oil Search.

Pancontinental rose 20 cents and CRA, GMK, Poseidon, Kathleen and MIM also gained. Utah dipped slightly on profit-taking.

In Industrials BHP rose 10 cents to $A7.24 and EZ Industries 7 cents to $A2.65.

JOHANNESBURG—Golds were marginally firmer this morning on increased demand. Harmony was up 25 cents to R7.35 and Grootvlei was 5 cents harder at R1.90.

Financial Minings were virtually unchanged where traded. Anglos fell 5 cents to R4.10.

Coppers were untested as were Platinums, and Industrials were marginally easier.

TOKYO—Posted a small gain on revived interest for Blue Chips.

Dealers said they were encouraged by smaller-than-expected selling from Foreign Investors. Electricals, Housings, Pharmaceuticals and Non-Life Insurances moved higher.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Sept. 10	67.64	152.29	817.66	77.87	14,780
9	67.63	154.74	827.75	78.44	15,790
8	67.62	156.62	840.11	78.22	11,600
5	67.70	155.32	835.97	77.74	11,500
4	67.84	156.34	836.31	78.19	12,810
3	67.56	157.00	832.29	78.44	12,280
2	67.66	156.54	825.69	78.26	11,460
Aug. 29	67.76	157.24	835.34	79.24	15,480
28	67.68	155.60	829.47	78.70	14,530
27	67.61	152.32	807.02	77.29	11,110
26	67.61	155.19	803.11	76.91	11,350
25	67.65	155.24	812.34	77.23	11,250
22	67.68	154.58	804.76	76.43	13,050
21	67.73	153.39	791.69	76.18	16,610
20	67.80	154.58	793.26	76.40	18,630
19	67.75	156.47	808.61	77.45	14,990
18	68.07	158.60	822.76	78.09	10,810
1975 High	68.62 (4/4)	174.12 (5/6)	881.81 (15/7)	87.07 (24/6)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Sept. 5	Aug. 29	Sept 6 1974
4.56	4.56	5.60

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	Sept 10	Sept. 9	Sept. 8	Sept. 5	Sept. 4
51.24 (15/7)	37.06 (2/1)	44.52	45.00	45.85	45.66	45.66

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,766	251	1,140	375

	Sept 10	Sept. 9	Sept. 8	Sept. 5	Sept. 4
New Highs	1	17	11	11	15
" Lows	25	9	9	10	10

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	Sept 10	Sept. 9	Sept. 8	Sept. 5	Sept. 4
86.80 (15/7)	62.20 (2/1)	84.12	85.09	85.86	85.45	85.84
Volume (000's)		1,450	1,420	1,210	1,300	1,350

STANDARD AND POORS

U.S. STOCK INDICES

	*Industrials	†Composite
Sept. 10	94.78	84.59
" 9	94.80	84.60
" 8	96.36	85.89
" 5	96.07	85.62
" 4	96.73	86.29
" 3	96.62	86.38
1975 High	107.40 (15/7)	96.61 (15/7)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Sept. 4 1975	Aug. 27 1975	Sept. 4 1974
Ind. Ord. yield pc	3.94	4.01	4.99
Ind. Ord. p/e ratio	12.38	10.37	12.58
Long-term Govt. Bds. per cent.	8.62	8.63	8.82

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Zenith	306,500	20¼	−2¼
Magic Chef Inc.	287,500	4⅝	−⅛
PanAm World Air	197,200	4⅛	+⅛
Braniff Intl.	173,200	6⅞	−⅛
Polaroid	163,000	33⅞	−¼
Westingh's Elec.	156,200	14⅛	−⅛
Intl. Flavour	150,600	23	−1⅛
Utah Intl.	148,600	44⅞	+1⅛
Bethlehem Steel	131,800	37⅞	−1⅛
CITI Corpn.	122,500	28⅞	−⅞

TORONTO

INDUSTRIAL INDEX

Sept. 10	Sept. 9	1975 High	1975 Low
183.20	184.52	196.50 (15/7)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Sept. 10	Sept. 9	1975 High	1975 Low
180.26	181.45	205.61 (15/7)	159.95 (2/1)

COMBINED INDEX

Sept. 10	Sept. 9	1975 High	1975 Low
184.97	186.66	198.99 (15/7)	159.05 (2/1)

JOHANNESBURG

	Sept. 10	Sept. 9	1975 High	1975 Low
Industrials	207.5	209.1	236.9 (16/7)	183.2 (23/1)
Gold	234.7	236.3	379.1 (2/1)	236.3 (2/9)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Sept. 4	Aug. 28	Aug. 21
On Dividends	7.62	7.60	7.47
On Earnings	13.07	13.43	13.70

SYDNEY ALL ORD. INDEX

Sept. 10	Sept. 9	High 1975	Low 1975
372.84	367.48	383.55 (4/6)	289.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Sept. 10	Sept. 9	High 1975	Low 1975
300.67	299.30	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX ●

Sept. 10	Sept. 9	High 1975	Low 1975
306.12	310.48	341.57 (9/6)	160.42 (9/1)

SINGAPORE INDEX §

Sept. 10	Sept. 9	High 1975	Low 1975
219.24	219.97	268.69 (11/3)	153.26 (8/1)

EUROPE

	Sept. 10	Previous	1975 High	1975 Low
Belg'm (a)	104.69	105.19	111.81 (15/5)	89.07 (2/1)
Denm'k (b)	94.40	94.67	93.54 (5/9)	73.06 (13/1)
France (d)	65.9	66.5	73.8 (23/4)	51.70 (2/1)
Germ'y (e)	669.0	697.1	726.1 (15/6)	573.5 (2/1)
Holland (f)	90.4	91.2	107.8 (6/5)	83.8 (2/1)
Italy (g)	82.87	83.62	105.85 (21/2)	80.04 (31/8)
Spain (h)	95.75	96.01	110.96 (22/4)	95.50 (4/1)
Sweden (k)	378.50	378.75	391.44 (1/8)	310.6 (9/1)
Switz'rl'd (m)	245.2	247.5	295.1 (5/5)	206.5 (2/1)

Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ● Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted

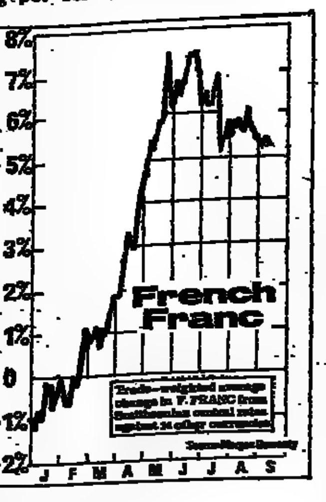
$ firmer

In a day of quiet trading, the U.S. dollar edged forward in a generally featureless foreign exchange market. The trade-weighted average depreciation of the dollar against 14 units since the Washington Currency Agreement, as calculated by Morgan Guaranty on noon rates in New York, improved to 2.62 per cent. from 2.73 per cent. Sterling's depreciation on a similar, Morgan Guaranty, basis also improved, to 32.98 per cent. from 33.19 per cent.

Against major European currencies the pound was firmer with sterling's trade-weighted average depreciation since the Washington Currency Agreement (as calculated by the Bank of England) narrowing to 27.4 per cent. against 27.5 per cent. The depreciation at noon and in early dealings stood at 27.5 per cent.

In terms of the U.S. dollar, the pound closed unchanged on balance at $2.1100-2.1110, having opened at $2.1090-2.1100. Trading was generally inactive and rates moved in a narrow range.

Gold improved slightly after Tuesday's sharp fall to close $⅞ an ounce better at $149¼-150. The metal reached a high of $150½-151⅞ in a day of moderate activity having opened at $149⅞-150⅞. The Krugerrand for domestic delivery finished at $153½-155½ (£72½-73½), against $152½-154½ (£72¼-73¼) on Tuesday. The premium on the coin over its gold content in domestic dealings rose to 3¼ per cent. from 3⅛ per cent., and in international dealings rose to 2⅛ per cent., from 2¼ per cent.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to:	Sept. 10	Sept. 9
Sterling	0.562257	0.562181
U.S. dollar	1.18670	1.18800
Belgian franc	45.7799	45.7618
Deutsche mark	3.06430	3.06088
French franc	5.22445	5.22736
Italian lira	795.564	795.722
Japanese yen	353.625	354.024
Dutch guilder	3.13882	3.13513
Swedish krone	5.19003	5.18087

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Sept. 10	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.585-6	58.63-8	6.69-70	5.454-9	97.57-65	96.23-31
N. York	38.60-64	—	22.62-64	2.590-95	2.1120-1130	37.75-78	37.22-25
Paris	170.57-77	4.3975-4075	—	11.4035-285	9.279-303	166.2-6	164.1-5
Brussels	14.91-7	38.55-60	8.75-78	—	81.31-52	14.56-61	14.36-41
London	5.45¼-46¼	2.1100-1116	9.30¼-31¼	81.40-60	—	5.68½-59⅝	5.66¼-67¼
Am'erdam	102.44-49	2.64375-625	60.05-.10	6.8555-605	5.5735-835	—	98.56-61
Zurich	103.77-88	2.6862-77	60.87-93	6.9475-575	5.653-73	101.39-48	—

U.S. $ in Montreal U.S. $1= 102.74-78. Canadian cents. Canadian $ in New York. $C1=97.31-33 U.S. cents. U.S. $ in Milan 670.45. Sterling in Milan 1,415.15.

EURO-CURRENCY INTEREST RATES*

Sept. 10 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W.German mark	Swiss franc
†Short term	9½-10⅛	6¼-6⅝	6⅝-7¼	1⅛-1⅝	3¾-4	⅛-1
7 days' notice	9⅞-10⅛	6¾-7¼	7-8	2⅝-2⅞	3¾-4	1⅛-1⅝
Month	10⅝-10⅞	6⅞-7¼	8⅛-8⅞	3⅝-3⅞	4⅝-4⅞	2⅜-2⅝
Three month	10½-10⅞	7-7¼	8⅛-8⅞	3⅝-3⅞	5⅛-5⅛	2⅝-2⅞
Six months	11⅜-11⅝	8-8⅛	8⅝-8⅞	4⅞-5⅛	4⅞-4⅝	3⅞-4⅛
One year	11⅞-12¼	8⅝-8⅞	8⅞-9⅞	5⅛-5⅜	5⅛-5⅜	4⅛-5⅛

Euro-French deposit rate short-term 7¼-7⅞ per cent.; seven days' notice 7¼-7⅞ per cent.; one-month 7¼-7⅞ per cent.; three months 7¼-7⅞ per cent.; six months 8¼-8⅝ per cent.; one year 8¼-8⅝ per cent.

Longer-term Eurodollar deposits: two years 8¾-9 per cent.; three years 9¼-9⅝ per cent.; four years 9¼-9⅝ per cent.; five years 9¾-10 per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 6¼-6⅜ per cent.; three months 7⅛-6[illegible] per cent.; six months 8⅛-8 per cent.; one year 8⅝-8⅞ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, and two days' notice for guilders and Swiss francs.

GOLD MARKET

	Sept. 10 1975	Sept. 9
Gold Bullion (a fine ounce)		
Close	$149¼-150	[illegible]
Opening	$149⅝-150¼	[illegible]
Morning fix'g	$150.25 (£71.178)	[illegible]
Afternoon fix'g	$149.90 (£71.009)	[illegible]
Gold coins (domestically)		
Krugerrand	$153½-155½ (£72½-73½)	[illegible]
New sov'r'gns	$49½-51½ (£23½-24½)	[illegible]
Old sov'r'gns	$49½-51½ (£23½-24½)	[illegible]
Gold coins (Int'rn't'n'aly)		
Krugerrand	$153-155 (£72½-73½)	[illegible]
New sov'r'gns	$45½-46½ (£21.5-22.1)	[illegible]
Old Sov'r'gns	$45½-46½ (£21.5-22.1)	[illegible]
$ 20 Eagles	$232-236	[illegible]
$ 10 Eagles	$113-117	[illegible]
$ 5 Eagles	$73-77	[illegible]

FOREIGN EXCHANGES

Sept. 10 1975	Bank Rates %	Day's Spread
New York	5	2.1090-2.1115
Montreal	8¼	2.1669-2.1699
Amsterdam	5½	5.57-5.60
Brussels	†6	81.20-81.60
Copenh'gen	7½	12.58-12.65
Frankfurt	4	5.44-5.47
Lisbon	6½	55.00-56.40
Madrid	‡7	123.35-123.85
Milan	7	1,415-1,417
Oslo	5½	11.64-11.68
Paris	8	9.28-9.31
Stockholm	6	9.22-9.26
Tokyo	7½	626-633
Vienna	6	38.40-38.70
Zurich	4	5.65-5.68

† Basic discount. ‡ Rates given for convertible francs: closing financial 83.35-83.75.

OTHER MARKETS

		¶Notes
Argentina	◆72.68-72.98	Argentina
Australia	1.6405-1.6567	Austria
Brazil	17.49-17.69	Belgium
Finland	8.00-8.02	Brazil
Greece	69.351-71.896	Canada
H'ng Kong	10.64-10.68	Denmark
Iran	142.0-144.0	France
Kuwait	0.611-0.621	Germany
Luxemb'g	81.40-81.60	Greece
Malaysia	5.3089-5.3290	Italy
N. Zealand	1.8700-1.8862	Japan
Saudi Arbia	7.55-7.58	Neth'l'ds
Singapore	5.2215-5.2405	Norway
S. Africa	1.4988-1.5148	Portugal
U.S.—		Spain
Canada		Sw'tz'l'nd
C$1=		U.S.
U.S. cents	97.31-97.34	Yugoslavia

¶ Based on rates quoted by dealers. Other rates may be [illegible] where. ◆ Rate given is the [illegible] rate: financial rate [illegible]. Special Financial rate: [illegible]

FORWARD RATES

—	One month
New York	0.80-0.70 c.pm
Montreal	0.35-0.25 c.pm
Amst'dam	4¼-3¼ c.pm
Brussels	35-15 c.pm
Cop'n'hg'n	8-5 ore pm
Frankfurt	3½-2½ pf. pm
Lisbon	25c.pm-50 c.pm
Milan	5 lirepm-par
Oslo	7¼-4½ ore pm
Paris	3-1 c.pm
Stockh'lm	3¼-1¼ ore pm
Vienna	35-10 gro pm
Zurich	4¼-3¼ c.pm

Six-month forward U.S. dollar [illegible] pm and 12-month [illegible] pm.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—95½% (96½%)

NEW YORK

Stock	Sept. 10	Sept. 9	Stock	Sept. 10	Sept. 9	Stock	Sept. 10	Sept. 9	Stock	Sept. 10	Sept. 9
Corning Glass	39¾	41⅛	Johns Manville	21	21⅝	RCA	17¼	17¼	Zenith Radio	20¼	22⅝
CPC Int'nation'l	41⅛	42⅝	Johnson Johnson	81⅛	83¼	Reading	2¼	2¼	Chile 6% 1993	†80½	80½
Crane	45	46¾	Johnson Control	11⅛	11⅛	Republic Steel	31⅛	33⅛	Peru 5% 1993	†95	†95

CANADA

GERMANY ◆

Sept. 10	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	71.7	−0.8	—	—
Allianz Versich.	464	.....	a17	1.8
B.M.W.	224	−2	14	3.2
BASF	132.5	−0.1	17	6.4
Bayer	111.5	−1.4	17	7.1
Bayer Hypo	306	−1	18	3.1
Bayer Vereinsbk	337.5	+0.5	18	2.6
Commerzbank	199	−2.5	17	4.5
Conti. Gummi	75.2	−0.8	—	—
Daimler	312.5	−4.3	15	2.3
Degussa	236	−1	18	4.1
Demag	169	−4	—	—
Deutsche Bank	306.5	−2.4	20	3.4
Dresdner	233.5	−2.5	18	3.9
Dyckerhof Zem't	185	.....	10	2.9

AMSTERDAM

Sept. 10	Price Fls.	+ or −	Div. %	Yld. %
Ahold (Fl.20)	95	−3	18	5.9
Akzo (Fl.20)	34.6	−0.2	20	11.4
Algem Bank (Fl.100)	312.5	−2.5	20	7.0
AMAS NV (Fl.10)	11.8	.....	10	8.4
AMEV (Fl.20)	84.7	+0.1	50	11.8
Amro Bank (Fl.20)	74.2	−1.2	20	5.4
Van Berkels (Fl.50)	117.5	−1.5	15	6.4

AUSTRALIA

Sept. 10	Aust. $	+ or −
Acrow Australia	†0.65	.....
Adelaide Brighton Cemt 50c	†0.95	+0.05
Allied Mafg. Trdg. Indus$1	†1.46	−0.02
Ampol Exploration	†0.67	+0.02
Ampol Petroleum	†0.41	−0.01
Assoc. Minerals	†2.55	+0.05
Assoc. Pulp Paper $1	†0.77	−0.01

VIENNA

Sept. 10	Price %	+ or −
Creditanstalt	390	.....
Perlmooser	341	.....
Selecta	745	−5
Semperit	170	−1
Steyr Daimler	145	.....
Veit Magnesit	370	+2

JOHANNESBURG

TOKYO ¶

PARIS

STOCKHOLM

MILAN

BRUSSELS

OSLO ◆

SWITZERLAND ●

COPENHAGEN

SPAIN ▼

Source: Nikko Securities Tokyo

'rice will ation otatoes

BIG DROP in this year's means that potatoes will ationed this winter by price, Geoffrey Grantham, chair- of the Potato Marketing d, said yesterday. Prices ne shops, now between 6p 9p a lb, would probably e at about 6p a lb—double year's price, he said.

"t means that everyone will more care of the potatoes buy, and be more dis- inating in their buying. ners will take more care in ig the crop—and that might reduce the 25 per cent of crop that is damaged at est."

rom yield estimates issued by Ministry of Agriculture, this 's potato crop is likely to 2m. tons down on last year's 1,900 tons. Even though ort restrictions have been d to help minimise the tage later in the year, some potato exports on contract he Canaries and to Hong g will go ahead.

r. Grantham said that high es did not mean huge profits farmers. Some had a nza with early potatoes but erally yields were low and luction costs so high that vers were no better off.

or did it mean that farmers ld grow more potatoes next "The cost of production ow estimated to be £450 an ," he said.

Farming decline threat to thousands of jobs

BY PETER BULLEN

THOUSANDS OF workers in ancillary industries will face unemployment if the decline in Britain's livestock industry continues the National Farmers' Union warns to-day.

And yesterday a fresh protest about the decline in dairy farming was made when the second deputation of farmers' wives in three weeks went to 10 Downing Street, to call for an immediate increase in the Government-controlled producer's milk price.

Half a dozen of the coachload of wives from Herefordshire went up to number 10 to hand in a petition signed by more than 500 of the county's 612 dairy farmers. The wives wore specially printed T-shirts with slogans across the fronts such as "No money, no pintas," "10p or bust" and "Freddy Peart and the Whitehall Dreamers." They also carried half-empty milk bottles as symbols of Britain's dwindling milk supplies.

The warning about the unemployment that could arise from the decline in farming was sounded by Sir Henry Plumb, National Farmers' Union president, who is meeting Mr. Fred Peart, the Minister of Agriculture, tomorrow to point out again the "frustration, resentment and retrenchment" in the industry.

Farmers' wives outside 10, Downing Street, yesterday.

Writing in the NFU journal "British Farmer and Stockbreeder," he says farmers must make the *workers of Britain* understand that it is in their interest to support home agriculture.

"There are now a million unemployed, more on short time, and the numbers will go up during the winter. If agriculture continues to retrench there will be more lay-offs in the industries providing our requisites and processing our products. The jobs of 100,000 workers in the dairy industry are at risk at the present," Sir Henry warns.

"*If the trades unions con*cerned begin to appreciate what is really at stake, there is then a real chance that some Ministers who have hitherto objected to our policy on the "green £1." will stop bleating misguidedly *about the consumer interest, lose* their fears and decide to give more than lip service to their White Paper 'Food from our own Resources.'"

U.S. grains fluctuate uncertainty

By Our Commodities Editor

NEWS OF the lifting of the grain loading ban on shipments *to Russia by U.S. dockworkers*, and the extension of the embargo on exports to the Soviet Union, had little impact on U.K. markets yesterday. But in Chicago values in the grain futures markets opened higher and other commodity markets, notably silver, were also affected.

There was some uncertainty in U.K. grain markets whether the latest U.S. moves were "bullish" or "bearish." The further delay in extra sales to Russia, until after the October crop report, means a further month of uncertainty about the general supply-demand situation.

But it was felt that the unloading ban had been used to help *drive down Chicago grain prices* recently, and that a recovery in values was probably due in any event. Much now depends on the September crop estimates, due out after Chicago markets close to-day, to decide the future *trend, since weather conditions* are unlikely to affect the crops much from now on.

Silver prices in London shot up, following the sudden upsurge in the U.S. overnight. The bullion spot quotation was lifted by 8p to 216.5p an ounce, but values eased back in later trading when New York opened on a less buoyant note than anticipated. The rise in silver helped sustain copper, too, while zinc was slightly higher on news of a U.S. producer price increase.

In the "soft" commodities, cocoa and sugar were steady in quiet conditions, but coffee values fell sharply again when a chart selling point brought a wave of speculative sales.

Falconbridge nickel strike talks break off

SUDBURY, Sept. 10.

CONTRACT TALKS between Falconbridge Nickel Mines and the Mine Mill and Smelter Union representing 3,600 workers on strike, have broken off again, reports Reuter.

Company and union negotiators resumed talks last week after talks broke off on August 15. No further meetings are now planned. Both sides said no progress was made towards settling the dispute—over terms of the new labour contract.

A Falconbridge spokesman said the contract package the union wants would cost at least 40 per cent more than the package *union members rejected in their* August 20 strike vote. At that time, the union negotiating committee had recommended acceptance of the package.

U.K. CATTLE EXPORTS

Iranian trade boon for dairy farmers

BY DAVID RICHARDSON

THE SHAH of Iran has said that *he is determined to expand the* Iranian dairy industry until it is capable of providing the country's schoolchildren with a quarter litre of milk a day. The cows chosen to achieve this objective are exclusively Friesians and Iran is known to be buying heifers of that breed in at least seven countries including France, Holland, Denmark, Israel, the U.S. and Canada. But a significant proportion of the massive numbers of cattle needed could also come from the U.K.

British Friesians which have so far been exported have, I am told, impressed Iranian farmers by their excellent milk yields. One herd of 400 cows—all of *which were supplied from the* U.K. as in-calf heifers—are said to be averaging 1,600 gallons per lactation in spite of being bred from 1,100-gallon average dams, a very respectable yield by British standards.

The probable explanation is that cows find the Iranian climate and diet—mainly consisting of maize and lucerne—more to their liking than British weather and feed, and that this allows them to develop their *full* genetic potential.

American cattle do not appear to show the same kind of "improvement." Average yields in the U.S. are usually much higher than in the U.K. Most U.S. cattle are fed on the same materials that are now being used in Iran (only there they call it corn and alfalfa) and so notice little change. Farmers I know who have imported cattle into the U.K. from the U.S. have often *been disappointed by their performance under our conditions*, which would appear to verify this theory.

High standard

In any event, demand for *British cattle in Iran is strong*. One perhaps extravagant estimate puts it at 100,000 animals over the next five years. Most of the export business is apparently being done by two companies of international cattle dealers.

British Livestock Exports, which claims to have been supplying cattle for eight years and to have supplied 80 per cent of U.K. cattle at present in Iran, and the Transworld Cattle Company which has become involved *in the trade more recently and* begun sending the first major contract in June this year. Transworld's associate company, Iranian/Scottish, is building a 2,000 place quarantine station in *Tehran*.

Both companies are flying regular consignments of 60 to 70 cattle at a time out of Heathrow, and although there is inevitably some rivalry between them, both agree that the potential for British cattle exports to Iran is enormous.

Buyers from both companies are touring the country looking for heifers suitable for export. And at a time when the U.K. dairy industry is very much in the doldrums because of low returns for milk and an acute shortage of fodder for the coming winter, there is no shortage of offers.

Standards set by the Iranians, however, are high, and a large *proportion of the cattle con*sidered fail to meet the necessary criteria. Although there is little demand for pedigree animals, they must be pure-bred Friesians of the highest quality. They must also be in calf to *Friesian bulls. Many otherwise* suitable heifers have been rejected because they had been *put to Hereford or other beef* bulls as farmers became disillusioned with milk. In the interests of long-term export trade, *interested farmers are being ad*vised to use only Friesian sires in future.

The other main reason for rejecting cattle is failure to achieve the health standards imposed by Iran. The tests, said *to be among the most stringent* in the world, include the necessity to prove freedom from infection with brucellosis, Johne's disease and Avian tuberculosis, a disease carried by birds and usually ignored in this country. *Failure rates on Avian TB alone* have varied between 30 per cent. and 60 per cent., the worst results apparently coming from farms close to the coast, where they have presumably caught it from seagulls.

By the time all the tests have been done and the failures reabsorbed into the herd or sold elsewhere, the relativly small premiums being offered for ex*port cattle look a little* less attractive. Nevertheless there are precious few U.K. buyers of surplus heifers at present, and the prospect of sales to Iran continuing for a number of years is the best news Friesian herd owners have heard of late.

IRAN'S Deputy Minister of Agriculture and Natural Resources, Mr. H. Sepehri, has been awarded the Bledisloe Gold Medal by the Royal Agricultural College, Cirencester. The award is made from time to time to former students of the college who have made an outstanding contribution to the development of agriculture "or any of its allied arts or sciences or otherwise in promoting the economic or social welfare of the rural community." It is only the eighth time that the award has been made since its inception in 1947.

Fodder short

In Norfolk, for instance, local *breeders have organised them*selves to supply the export market by setting up a register of cattle for sale, and appointing a part-time co-ordinator from among their number to ensure no sales opportunities are mis*sed. By so doing they have dis*covered other export outlets to France, Spain and Portugal.

Looked at in isolation and in the short term, it could be argued that this outflow of dairy cattle from Britain which is only just beginning, will exacerbate the liquid milk shortage forecast by some commentators for next winter.

The arguments in favour of the trade are, however, much stronger. In the short term there is probably insufficient fodder in the U.K. to feed all cattle through next winter anyway. And in the longer term, the trade could have the effect of keeping *some farmers in milk who might otherwise* have sold out or changed to beef production. It could also, if projected sales are *realised, benefit th balance of* payments by £50m. to £60m. by 1980.

NEW OUTBREAK OF PIG DISEASE

AN OUTBREAK of Swine Vesicular Disease (SVD) was confirmed yesterday by the Ministry of Agriculture among pigs at Heaton Moor, Stockport, near Manchester.

It was the first outbreak since July 21—seven weeks ago—and the longest clear period since SVD first appeared in Britain in December, 1972.

'DT drops plan r Paris link

'ERNATIONAL Commodities aring House, the London- ed subsidiary of UDT has hdrawn its offer to participate he Paris commodities clearing k—Banque Centrale de Com- isation—until problems sur- *nding the closure of the Paris te sugar market* are satisfac- ily solved.

spokesman for the ICCH ied that negotiations towards ching a settlement to prob- is arising from the closure of Paris *market last December*, ecially the settlement price open contracts, were progres- g. But they had not yet been ilised.

UDT's original offer to par- ipate in the clearing bank was de subject to resolution of se problems.

Reuter reports from Paris that e UDT move is not likely to event the new clearing house the commodity markets there m operating. Other share- lders, in particular the French ate banks involved, could prob- ly take up UDT's stake with- t too much difficulty.

U.S. producer lifts zinc price

BY JOHN EDWARDS, COMMODITIES EDITOR

EXPECTATIONS of a rise *shortly in the European zinc* producer price from its current level of £360 a tonne were strengthened yesterday by the decision of the U.S. producer, *New Jersey* Zinc, to put up its domestic price by 2 cents to 41 cents a pound. *At present dollar/sterling* exchange rates, this is equivalent to around £430 a tonne.

The price increase, which does not take effect until October 10, has evidently been encouraged by the third successive monthly fall in U.S. producer zinc stocks in August.

Stocks at end-August fell to 98,157 short tons, compared with 114,331 tons at end-July. But stocks at end-August last year were only 30,583 tons and the recent stocks decline appears to be mainly the result of cutbacks in output rather than any marked revival in demand.

It remains to be seen, therefore, whether other U.S. Zinc producers will follow New Jersey Zinc's example.

However, any move upward in U.S. zinc prices is likely to bring greater pressure for a rise *in the European producer quo*tation, framed by European smelters who have suffered a loss in returns as a result of the sharp depreciation in the value of the sterling quotation against their own currencies.

It has been widely rumoured for some time that producers were planning to raise the European quotation from £360 to £400 a *tonne*, possibly even before the scheduled unofficial producers meeting on October 1.

In normal circumstances, zinc prices in Europe (both the producer price and the London Metal Exchange quotation tend to stay in line with U.S. values, since if they fall out of line supplies are switched to the highest-priced market. So a general uplift in U.S. prices should be followed shortly by an equivalent increase in Europe, especially as producers have cut back output sharply to try and achieve a closer balance with poor demand.

Nevertheless, it is that some producers in Europe do not feel a price rise can be justified at present, in view of the continued *sluggishness in demand and the* availability of more than ample supplies.

A particular problem is the U.K. market, which at the moment is reported to be showing very few signs of any revival in demand and where a price rise might well encourage a move to substitute materials where possible, notably aluminium.

Much of the pressure *for* a producer price rise has come as a result of the European price, at which the bulk of zinc is sold, being quoted in sterling terms. Some quarters believe that in view of sterling's weakness there might be a case for having a split price, with each main country having its own producer price expressed in its local currency. Alternatively, as with many other metals, a U.S. dollar quotation might provide a better common denominator.

Supporters of a sterling quotation point out that it is in line with the LME market—another powerful influence in European zinc trading.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Turned upwards on the London Metal Exchange. Forward metal [illegible] up to £602 mainly in sympathy [illegible] the strength of silver and the rally [illegible] gold. Most of the buying was of a short-covering nature with physical demand remaining at a low ebb. [illegible]

Amalgamated Metal Group reported that in the morning cash wirebars traded at £579.5, early Dec. £601, £600.5, three months £601, 01.5, 01. Cathodes: cash £568, 66.5, three months £587.5. Kerb: Wirebars: three months £601.5, 01. Cathodes: cash £567. Afternoon: Wirebars: cash £579, 78, 77.5, three months £600.5, £600, 599.5. Cathodes: cash, untraded. Three months, £587. Kerb: Wirebars: three months, £599.5, [illegible]

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	579.5-80	+6	577.5-8	+5.5
3 months	600.5-1.5	+4.75	599.5-600	+4.25
Settlem't	580	+5	—	.....
Cathodes				
Cash	566.5-7	+4.25	566-6	+4.5
3 months	587.5-88	+4.25	587.5	+4.75
Settlem't	567	+4	—	.....
U.S. Smt.	—	.....	*63-63.7	.....

TIN—[illegible] overnight, modest demand for cash metal causing a slight narrowing of the contango. Turnover 800 tonnes. Morning: Standard: cash, £3,130, three months, £3,205, 03, £3,200. High Grade: untraded. Kerb: Standard: three months, £3,205. High Grade: untraded. Afternoon: Standard: cash, £3,130, three months, £3,202, 03, 02, 01, £3,200, £3,196, 98, 98, 95. High Grade: untraded. Kerb: Standard: three months, £3,195. High Grade: untraded.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3135-8	—6	3130-5	—6.5
3 months	3200-1	—5.5	3193-5	—9.5
Settlem't	3138	—7	—	.....
Standard				
Cash	3135-8	—6	3130-5	—6.5
3 months	3200-1	—5.5	3193-5	—9.5
Settlem't	3138	—7	—	.....
Straits E	$987	—1½	—	.....
New York	*388.50	—2½	—	.....

LEAD—Edged higher in line with the general trend in quiet trading. Turnover, 3,000 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	174.25-.75	+.25	174-.5	+.25
3 months	182.75-3.25	+1.6	182.5-.75	+1.5
Settlem't	174.75	+.25	—	.....
N.Y. Spot	—	.....	19-22½	.....

Morning: cash £174.5, three months, £183, 82.75, 83. Kerb: untraded. Afternoon: cash, £174.5, three months, £183, 82.5. Kerb: Early-Dec., £182.

ZINC—Gained ground. Prices were initially firmer following news that New Jersey Zinc of the U.S. had raised its producer price, as from Oct. 10, by 2 cents per pound to 41 cents. Forward metal touched £373 at one time but failed to hold the highest levels and ended at £371 on the afternoon Kerb. Turnover, 3,700 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	358-9	+2.75	356.5-7	+1.75
3 months	372.5-3	+3.25	371-.5	+2.25
Settlem't	359	+2	—	.....
Prim. West	—	.....	*38½-9	.....

Morning: cash, £358.5, three months, £375, 74.5, 74, 73, 72.5, 72, 73. Kerb: three months, £372.5, 73. Afternoon: cash, untraded. Three months, £372.5, 72, 71.5. Kerb: three months, £371, 71.5, 71.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was fixed 8.45p an ounce higher in the London bullion market yesterday at 216.5p. U.S. cent equivalents of the fixing levels were: spot 437.9c (420.0c), three-month 466.0c (448.5c), six-month 475.2c (457.6c), and 12-month 496.2c (477.9c). The metal opened at 214.2-215.2p (432-434c) in an active day's trading and closed at 215.8-216.8p (435-438c).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	216.5p	+8	216.25p	+8.75
3 months	222.7p	+8.55	222.65p	+8.55
6 months	228.7p	+8.71	—	.....
7 months	—	.....	232.5p	+8.65
12 months	242.1p	+9.1	—	

LME—Turnover 450 (370) lots of 10,000 ozs. Morning: Three months 223.5, 23.2, 23.1, 23, 22.9, 23.5, 23.6, 24, 25. Kerb: Three months 224.7, 4.5, 5, 4.8, 4.6, 4.5, 4.8. Afternoon: Three months 222.3, 2.5, 2.7, 2.8, 2.9, 3, 3.2, 2.5, 2.7, 2.6. Kerb: Three months 222.6, 2.7, 2.6, 2.5, 2.2; early-Dec. 222.5.

COCOA

Prices steadied on moderate turnover with the day's highs attracting profit-taking, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No.4 Contract			
September	632.0-6.0	+12.0	624.5-38.0
December	579.0-9.5	+3.5	576.0-84
March	558.5-9.5	+4.5	554.0-62.0
May	551.0-2.0	+14.0	549.0-52.0
July	549.0-52.0	+5.0	549.0
September	547.0-9.0	+4.0	—
December	546.0-52.0	+5.0	—

Sales: 1,444 (3,435) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 31.33 (32.29) U.S. cents per pound: indicator 15-day average 31.05 (31.20); 22-day average 31.43 (32.63).

FREIGHTS

DRY CARGO—A modest improvement developed in the volume of chartering, particularly in the North American grain section. An interesting fixture concerned 250,000 long tons of grain from the Great Lakes to the Baltic at $21.95 completing St. Lawrence $13.85 f.i.o. for shipment over the 1976 Great Lakes season. Other grain bookings included U.S. Gulf to the Continent at $5.35 f.i.o. for Sept. and U.S. Gulf to Alexandria at $13 f.i.o. for Sept. Grain was also covered from the U.S. northern range to Alexandria at $14.40 f.i.o. for Sept.-Oct. Grain cargoes were fixed from the U.S. Gulf to Japan at $10 f.i.o. for Sept.-Oct. and from the Great Lakes to Algeria at $22.50 f.i.o. for Sept. while a cargo from Brazil to the Black Sea paid $11.25 f.i.o. for Sept. Miscellaneous charterings included U.S. Gulf to Brazil at $12.50 f.i.o. for Sept.

OIL TANKERS—Quiet in terms of fixtures, but several interesting inquiries building up in the Persian Gulf. A Belgian charterer is open for an 80,000-tonner from Persian Gulf to west, loading Sept. 22-26, with Petroliba of Spain seeking similar size tonnage on the same route from Sept. 20-28. Esso also is open for a VLCC over 200,000 tons on the same route and the same loading dates range, together with Sun Oil open for a 80,000-tonner from Persian Gulf to west between Sept. 19 and 23. Late on Tuesday Exxon fixed an 80,000 tonner from Persian Gulf to east, prompt, at W.45.

COFFEE

Robustas turned easier and widespread speculative selling and an easier New York opening took values through previously tested chart resistance levels. This uncovered long liquidation stoplosses and chart selling. However, prices recovered some of the losses on short-covering towards the close and ended the day £20 to £25 down on balance.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
September	682.0-6.0	—20.0	685.0-95.0
November	685.5-88.0	—22.25	694.0-700.0
January	689.0-90.0	—24.0	695.0-706.0
March	698.0-98.5	—25.25	696.0-714
May	700.0-01.0	—25.0	708.0-18.0
July	705.0-05.0	—24.75	706.0-25.0
Sept	709.0-12.0	—28.25	715.0

Sales: 1,089 (1,044) lots of 5 tonnes.

Latest published ICO indicator prices, U.S. cents a pound. Colombian Mild Arabicas 89.00 (90.00). Other Mild Arabicas 79.50 (75.75). Unwashed Arabicas Santos Fours 85.50 (same). Robustas 76.00 (same). Daily average 85.25 (85.29).

ARABICA CONTRACT (In order buyer, seller, business, sales)—Oct. 83.50-67.00: nil: nil. Dec. 88.20-86.50: 86.40-86.00: 3. Feb. 86.10-67.00: nil: nil. April 87.40-87.60: 88.50-88.30: 3. June 86.50-89.00: nil: nil. August 86.50-90.50: nil: nil. Oct. 87.00-91.50: nil: nil. Total sales: 6.

RUBBER

STEADIER opening in the London physical market. Little interest throughout the day, closing slightly steadier. Lewis and Peat reported a Malaysian godown price of 141 cents a kilo (buyer, Oct.).

No. 1 R.S.S.	Yesterday's close	Previous day's close	Business done
Oct.	32.00-34.50	33.50-34.00	—
Nov.	32.50-34.50	33.50-34.50	—
Oct.-Dec.	33.00-33.75	33.50-34.40	33.50-33.00
Jan.-Mr.	33.20-33.50	34.20-34.45	33.85-33.00
Ap-Jun.	34.55-34.70	35.50-35.30	35.25-34.20
Jy.-Sept.	35.80-35.85	36.80-36.85	36.40-35.30
Oct.-Dec.	37.35-37.55	38.00-38.15	37.40-37.85
Jan.-Mr.	38.35-38.50	39.20-39.25	38.50-38.00
Ap-Jun.	39.30-39.40	40.00-40.25	39.35-39.00

Sales: 235 (137) lots of 15 tons.

Physical closing prices (buyers) were: Spot 33.25p (34.0); Oct. 30.75p (30.5p); Nov. 30.75p (31.25p).

GRAINS

THE BALTIC—Optional corn attracted fairly active buying inquiry and over 12,000 long tons traded for Sept. to Dec. transhipment to various U.K. ports at generally unchanged prices. Other imported grains remained featureless, however.

Wheat: Canadian Western Red Spring—No. 1 13½ per cent. unquoted. U.S. Dark Northern Spring No. 2 14 per cent. Sept. £100.00, Oct. £100.50, Nov. £102.10, Dec. £102.60 transhipment East Coast. Nov. £98.65, Dec. £96.75 direct Tilbury. EEC Feed Sept. £81.75, Oct. £82.75 sellers East Coast.

Maize: No. 3 Yellow American/French Sept., Oct. and Nov. £64.00 transhipment East Coast.

Barley: EEC Feed Sept. £80.50, Oct. £85.00 transhipment East Coast.

MARK LANE—The market displayed little change from previous levels in quiet dealing. Average sellers prices per long ton delivered London area: Wheat—Milling (hagberg) Sept. £68, Oct.-Dec. £67.50; Denaturable Sept. £62, Oct./Dec. £64.50. Barley—Feed Sept. £62.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steadier. Close: Sept. 61.30, Nov. 63.10, Jan. 65.30, March 67.15, May 68.90. Business: Sept. 61.30-61.00, Nov. 63.40-62.40, Jan. 65.70-64.40, March 67.20-66.20, May 68.90-68.00. Barley, steady. Close: Sept. 60.60, Nov. 62.10, Jan. 64.20, March 65.90, May 67.50. Business: Sept. 60.55-60.15, Nov. 62.40-61.70, Jan. 64.45-63.70, March 66.20-65.35, May 67.30-67.00.

HGCA—Location ex-farm spot prices. Soft milling wheat—Hertford £61.95. Feed barley—Hertford £59.20. Malting barley—Borders (West) £57.90.

The U.K. monetary coefficient for the week beginning September 15 based on HGCA calculations is expected to remain unchanged at 1.168.

EEC DAILY IMPORT LEVIES—The following EEC levies and premiums are effective for September 11 in Units of Account per tonne (in order current levy plus Oct., Nov. and Dec. premiums, with previous in brackets): Soft Wheat and Mixed Wheat and Rye—29.04: nil: nil: nil (29.04: nil: nil: nil). Hard Wheat—1.75: nil: nil: nil (all nil). Rye—23.48: nil: nil: nil (23.46, nil, nil: nil). Barley—0.82: nil: nil: nil (same). Oats—11.47: nil: nil: nil (10.88: nil: nil: nil). Maize (other than hybrid for seeding)—19.21: nil: nil: nil (19.03: nil: nil: nil). Buckwheat—All nil (all nil). Millet—3.39: nil: nil: nil (4.10: nil: nil: nil). Grain Sorghum—32.84: nil: nil: nil (same).

Levies are also effective for September for the following flours (with previous in brackets) in Units of Account per tonne. Wheat or Mixed Wheat and Rye Flour 46.04 (same); Rye Flour 31.77 (same).

SOYABEAN MEAL

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
October	85.00-5.70	+0.45	85.70-5.90
December	84.80-4.90	+0.22	84.00-5.30
February	85.60-6.00	+0.95	84.80-6.40
April	86.40-6.40	+0.50	86.00-6.90
June	87.30-7.70	+0.55	—
August	87.90-9.00	+0.70	—
October	88.00-9.30	+0.15	—

Sales: 83 (60) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICES (raw sugar): Lower at £180 (£185) a ton c.i.f. for Sept.-Oct. shipment. White sugar daily price was fixed at £197 a ton.

Lack of fresh news brought an initial decline, but the move lacked impetus and prices began to recover reports C. Czarnikow. One reason given for the recovery was the expectation of higher Chicago markets. December climbed to £181.00 in the afternoon but there appeared to be a good deal of selling just above this level which made buyers cautious and half of the gains were lost by the close.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Oct.	181.50-82.00	182.25-85.00	182.50-80.00
Dec.	178.85-79.00	179.75-80.50	181.40-77.40
March	176.25-76.50	176.75-77.00	177.75-74.50
May	175.00-75.45	172.75-75.00	174.00-71.00
Aug.	170.00-71.50	170.00-70.50	170.00-68.00
Oct.	167.50-68.50	165.00-67.50	167.00-65.00
Dec.	167.00-68.00	163.00-67.50	165.00

Sales: 2,735 (3,890) lots of 50 tons.

Tate and Lyle ex-refinery price for granulated basis white sugar was £226.80 (same) a long ton for home trade and £267 (£270) a long ton for export.

EEC DAILY EXPORT LEVIES—The following EEC export levies for White and Raw sugars, both denatured and non-denatured, are effective for September 10 in Units of Account per 100 kilos with previous in brackets. White sugar, denatured 2.41 (2.41). Non-denatured 2.41 (2.41). Raw sugar, denatured 2.70 (4.53). *Non-denatured* 2.70 (4.53).

JUTE

DUNDEE—Quiet. Prices c. and f. U.K. for Sept.-Oct. shipment: BWB £195, BWC £195, BWD £181. Tossa: BTB £197, BTC £196, BTD £182. Calcutta goods easier. Quotations c. and f. U.K. for September shipment: 10-oz. 40-inch £8.87, 7½-oz. £5.34 per 100 yards: Oct. £7.15 and £5.46; Nov.-Dec. £7.24 and £5.5s. "B" twills £22.57, £22.88 and £22.81 for the respective shipment periods. Yarns and cloths very quiet.

LONDON—Quiet. Bangladesh White C grade Sept.-Oct. £185. D grade Sept.-Oct. £185. A long ton.

CALCUTTA—Steady. Indian Sept.-Oct. Rs.456, Dundee Daisee Sept.-Oct. Rs.460 value. A bale of 400 lbs.

WOOL FUTURES

LONDON—The market was irregularly steady in low turnover.

(Pence per kilo)

Australian Greasy wool	Yesterd'y's close	+ or —	Business Done
October	160.0-8.0	+3.0	—
December	162.0-5.0	+0.25	—
March	171.0-2.0	—1.0	—
May	174.0-5.0	—0.5	—
July	176.0-8.0	—0.75	—
October	184.0-7.0	—0.5	—
December	185.0-90.0	—1.0	—
March	190.0-94.0	—	—

Sales: 0 (2) lots of 1,500 kilos.

SYDNEY GREASY (in order buyer, seller, business, sales)—Oct. 244.1-244.5; 246.0-244.5, 51. Dec. 251.0-252.0; 253.0-252.0; 54. Mar. 258.1-258.5; 260.3-258.0; 59. May 265.0-265.2; 266.0-265.0; 19. July 266.0-268.5; 266.5-268.0; 30. Oct. 270.5-271.0; 272.0-270.2; 33. Dec. 272.1-272.5; 272.0; 44. Mar. 277.1-277.5; 274.0-273.0; 54. Total sales, 338.

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scottish killed sides 30.0 to 33.0; English hindquarters heavy 40.0 to 41.0; Eire hindquarters 40.0 to 42.0, forequarters 24.0 to 25.0.

Veal: English fats 38.0 to 44.0, top quality 45.0, bobbies 10.0 to 12.0. Scottish bobbies 8.0 to 10.0; Dutch hinds and ends 70.0 to 74.0, top quality 76.0.

Lamb: *English small* 26.0 to 34.0, top quality 36.0, medium 26.0 to 30.0, heavy 25.0 to 30.0; Scottish medium 26.0 to 30.0, heavy 28.0 to 29.0, hill 28.0 to 32.0. Imported frozen: New Zealand D's 29.3 to 30.0, 2's 28.5 to 29.0, 3's 28.5 to 27.5, YL's 27.0 to 27.5.

Pork: English, under 100 lbs 35.0 to 36.0, 100-120 lbs 28.0 to 35.0, 120-160 lbs 26.0 to 34.0, 160-180 lbs 25.0 to 29.5, 180 lbs and over 24.0 to 27.0.

Grouse: Young best, each 100.0 to 110.0, old, each 45.0 to 50.0.

Partridges: Young, each 120.0 to 140.0, old, each 45.0 to 50.0.

MEAT COMMISSION—Average fatstock prices at representative markets on September 10. U.K.—Cattle £18.84 per live cwt (+0.30); sheep 31.5p per pound e.d.c.w. (+0.7); pigs 14.5p per score liveweight (+0.14). England and Wales—Cattle numbers down 0.5 per cent., average price £18.96 (+0.46); sheep up 13.5 per cent., 31.5p (+0.7), pigs up 12.7 per cent., £4.58 (+0.14). Scotland—Cattle up 23.8 per cent., £18.79 (+0.26); sheep up 127.6 per cent., 30.5p (+1.9); pigs down 42.8 per cent., £4.74 (+0.07).

COVENT GARDEN (prices in sterling)—Imported produce: Oranges—Brazilian: 2.20. South African: 2.50-3.05; Californian: 2.50-2.90. Grapefruit—South African: 36 3.85, 40 4.35, 48 4.35, 56 4.55, 72 4.30. Lemons—Italian: 3.50; South African: 4.00. Apples—French: Per 20 lbs Golden Delicious 72 1.40-1.60. Pears—Italian: Per pound Williams 0.15; French: Williams 0.11. Bananas—Windward Islands, Per 28 lbs 2.70. Jamaican: 2.60.

English produce: Lettuce—Per 12 round 1.00, cos 1.30. Cucumbers—Per tray 12 1.50, 14 1.30, 16 1.30, 18 1.20, 20 1.00. Potatoes—Per 56 lbs White 2.20, Edwards 2.50. Cabbages—Per bag, Primo 2.00-2.40. Marrows—Per 15 0.90. Cauliflowers—Per 12 1.00-2.00. Mushrooms—Per pound 0.20 0.35. Tomatoes—Per 12 lbs 0.90-1.00. Runner beans—Per pound 0.16-0.13. Onions—Per 56 lbs 2.00. Apples—Per pound Bramley's 0.07-0.05. Derbys 0.06. Discovery 0.08-0.09. Tydeman's Early Worcester 0.06. Worcester Pearmain 0.05-0.06. Cox's Orange Pippin 0.08-0.10. Celery—Per 20 1.50-1.90. Beetroot—Per 12 lbs 0.90. Plums—Per 12 lbs Victorias 1.50-2.00; per pound Bush 0.08. Corn cob—Per 12 lbs 0.70-0.80. Cob nuts—Per pound 0.55. Carrots—Per 28 lbs 0.50-0.80.

★

HIDES—Leeds. Steady. Second clear ox, 31-35½ kilos 21.2p per kilo, 26-30.5 kilos withdrawn at 23p; 22-25.5 kilos 25.0p. Light cows 22.9p. [illegible]

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GRIMSBY FISH—Supply poor and demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £1.70-£2.70, Codlings £1.60-£2.20, Large haddock £3.00, Medium haddock £2.50-£2.80, Small haddock £2.20-£2.50, Large plaice £3.30, Best small plaice £2.80, Skinned dogfish £4.50 (L), £4.00 (M), Coalfish £1.10-£1.30, Lemon soles £4.30, Rock fish £1.20-£1.40, Reds 80p-£1.10.

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COPRA—Philippines: Sept. and Oct. $230 per tonne Nov. $235 per tonne c.i.f. North Euro ports resellers.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Sept. 10 1975	+ or —	Month Ago
Metals			
Aluminium	£396		£396
Free Market c.i.f.	£340-350		£350-360
Copper			
Cash Wire Bars	£577.75	+3.5	£610.5
3 months do. do.	£599.75	+4.25	£631.75
Cash Cathode	£565.5	+4.5	£599.25
3 months do. do.	£587.25	+4.75	£619.25
Gold ...Troy oz.	$149.625	+0.875	$162.125
Lead Cash	£174.25	—0.25	£186.25
3 months	£182.625	—1.625	£194.75
Nickel	£2,081		£1,958
Free market c.i.f. lb.	$1.88 98		$1.75-.85
Platinum troy oz.	$81-85		$81-85
Free Market	£75.6	+1.2	£80.1
Quicksilver (76lbs)	$110 115		$118.118
Silver Troy oz.	216.5p	+8	240.5p
3 months	222.7p	+8.65	248.2p
Tin Cash	£3,132.5	—6.5	£3,257.5
3 months	£3,194	—9.5	£3,298.5
Wolfram 22.04lb cif	£42.45.5		£40.42
Zinc Cash	£356.75	+1.75	£360
3 months	£371.25	+2.25	£327.75
Producers	£360		£360
Oils			
Coconut Malayan			
Groundnut			
[illegible]	£457		£457
Linseed Crude	£430		£452
Palm Malayan	£190	—4	
Soyabean			
Seeds			
Copra Philippines	$230	—2	$240
Gr'nuts Nigerian			
Linseed Can No. 1	£171		£187
Grains			
Barley EEC	£60.5		£62.2
Home Futures	£60.6	+0.25	£62.5
Maize			
French No. 3 Am.	£64		£68.5
S.A. Yellow			
Wheat			
No. 1 Red Spring			
No. 2 Hard Winter			
Australian			
English Milling	£66		£63.5
Cocoa Shipment	£618	—4.5	£736
Future Dec.	£579.25	+3.5	£602.5
Coffee Shipment			
Future Nov.	£685.75	—22.25	£766.5
Cotton 'A' Index			
[illegible]	55.5		55.4
Jute BWC	£195		£195
Rubber kilo	33.25p	—0.75	36.0p
Sisal EA	£600		£600
Sugar (Raw)	£180	—5	£250
Woltops 64s kilo	193p		186p
Clove (Madagascar)	£2,400		£2,550
Pepper White ton	£895	—5	£900
Black ton	£690	—5	£700

* Nominal. † Seller. § Unofficial close. ✤ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted a Seller's quotation h Nov. k Aug.-Sept. l Metric tons. r September. p Aug.-Oct. s July-Aug. f Nov. q Mar.-June. w Nov.-Jan.

FINANCIAL TIMES

Sept. 10	Sept. 9	Month ago	Year ago
177.42	176.20	184.65	201.05

(Base: July 1, 1952=100)

REUTER'S

Sept. 10	Sept. 9	Month ago	Year ago
1151.9	1157.5	1185.6	1234.2

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Sept. 10	Sept. 9	Month Ago	Year ago
Spot	314.80	311.25	317.07	371.44
Futures	295.94	293.35	301.10	344.37

(Average 1924-25-26=100)

MOODY'S

Moody's	Sept. 10	Sept. 5	Month ago	Year ago
Sple Commty	797.9	796.7	794.3	832.5

(Dec. 31, 1931=100)

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LIVERPOOL—Spot and shipment sales amounted to 291 tonnes bringing the total for the week to 380 tonnes, reports F. W. Tattersalls. Some broadening of demand brought additional offtake mainly in African and Middle Eastern qualities. Russian and Turkish provided the bulk of inquiry.

U.S. Markets

Copper and grains lead price rally

NEW YORK, September 10.

SILVER rallied on continued trade and speculative buying. Copper advanced on light Commission-house buying. Chicago grains closed higher across the board on anticipated Soviet grain purchases later on in the autumn. Sugar and cocoa finished higher in sympathy with grains and metals, Bache reports.

Cocoa—Ghana spot unquoted (same). Bahia spot 67½ (60½). Sept. 61.05 (59.75), Dec. 55.85 (52.71), March 50.45, May 48.45, July 45.85, Sept. 46.85, Dec. 47.75. Sales: 961.

Coffee—Spot Santos No. 4 unquoted (same). Columbian Mams unquoted (same). "C" Contract Sept. 78.00 (75.50-79.50), Nov. 78.40 nom. (79.65 nom.), Dec. 78.40-78.80, March 78.40-78.50, May 78.90 bid, July 78.70 bid, Sept. 80.25 bid. Sales: 402 lots.

Copper—Sept. 58.50 (56.00), Oct. 58.90 (56.20), Nov. 57.30, Dec. 58.10 settlements. Sales: 1,061 lots.

Cotton—Oct. 52.70 (51.35), Dec. 53.40-53.30 (52.12-52.37), March 54.20, May 54.71, July 55.50-55.60, Oct. 55.50 bid, Dec. 55.50-55.56. Sales: 7,350.

✤Gold—Sept. 147.90 (149.30), Oct. 148.50 (149.50), Nov. 149.50, Dec. 150.40, Feb. 152.80, April 155.20, June 157.70, Aug. 160.10, Oct. 162.60, Dec. 165.10 settlements. Total sales 1,798 lots.

Greasewool—Spot 155.0 nom. (same), Oct. 156.0-164.0 (155.0-163.0), Dec. 151.0, 161.0 (154.0-160.0), March 150.0-158.0, May 149.0-155.0, July 149.5-156.5, Oct. 148.5, 156.0, Dec. 148.5 bid.

*Lard—Chicago loose 31 (32 asked), NY Prime Steam 32 traded (34) nom.

††Maize—Sept. 300½-300 (294-295½), Dec. 292½-291 (288½-289), March 300½-300, May 305½-305, July 302.

‡Platinum—Oct. 161.00 (160.40), Jan. 164.30 (162.50), April 166.50, July 172.20 bid, Oct. 176.50 bid, Jan. 180.30-180.90 settlements. Sales: 340 lots.

‡‡Silver—Spot 434.00 (449.50), Sept. 457.50 (432.00), Oct. 459.30 (434.00), Nov. 463.30, Dec. 467.20, Jan. 471.40, March 480.00, May 488.40, July 496.50, Sept. 504.80, Dec. 516.70, Jan. 520.80 settlements. Total sales 5,420 lots.

*Soyabeans—Sept. 556-557 (544-545), Nov. 566½-565 (550-552), Jan. 576½-577½, March 585-584½, May 590.591, July 594.595, Aug. 594.

¶Soyabean Meal—Sept. 139.00 (135.70), Oct. 137.50-139.00 (134.70), Dec. 140.00-140.50, Jan. 142.00-142.50, March 145.50-146.00.

Soyabean Oil—Sept. 23.95-24.00 (22.75), Oct. 23.35 bid (22.55), Dec. 23.15 bid, Jan. 23.00 bid, March 22.90-22.95, May 22.85, July 22.65-22.75, Aug. 22.65.

Sugar—Spot 16.10 (15.65), Oct. 16.15-16.10 (15.99-15.91), Jan. 15.78 nom. (15.50), March 15.55-15.50, May 15.40, July 15.25 asked, Sept. 15.15 nom., Oct. 15.05. Sales: 3,156 lots.

Tin—380.00-417.00 nom. (365.00 nom.).

**Wheat—Sept. 410 (400-402), Dec. 424-423 (421-422), March 435½-435, May 435½-436, July 417.

WINNIPEG, September 10. ††Rye—Oct. 217 bid (312), Dec. 295 (292), May 299 b.d., July 299 nom.

††Oats—Oct. 154 bid (152 b.d.), Dec. 151 bid (149), May 145 bid, July unquoted.

§Barley—279½ bid (277½ bid), Dec. 3.4 asked (222), May 252 asked, July unquoted.

Flaxseed—Oct. 760 bid (750), Nov. 747 bid (741) asked, Dec. 737 bid, May 727 bid, July 710 bid.

Wheat—SCWRS 14.5 per cent protein content St. Lawrence 561 (560).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. ‡ $'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.5 per cent. purity delivered NY. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. b Cents per 24-lb bushel § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

CONTRACTS & TENDERS

UNITED ARAB EMIRATES

TENDER No. E7/75

VHF Communications Systems

Tenders are invited by the Ministry of Electricity and Water for the proposed communications systems (Point to Point and mobile VHF radio installations) in the northern Emirates. Tenderers are invited to survey the area and submit tenders which must be received by 17.00 hours on 2nd November 1975.

Conditions

1. Each tender fee is Dhs 100.00 and is not refundable.
2. Prospective tenderers should apply to the Ministry's offices in Dubai or Abu Dhabi during normal office hours.
3. Each tender must be supported by a Bank Guarantee for 5% of the total Tender sum which will be increased to 10% by way of a Performance Bond for the successful Tenderer for the full period of the Contract.
4. Bank cheques, even if approved, are not acceptable.
5. Three copies of each offer shall be submitted in a plain sealed envelope addressed to:

   His Excellency the Chairman
   The Permanent Committee for Projects
   Ministry of Planning
   PO Box 2847
   Abu Dhabi, United Arab Emirates.

6. Each envelope must be endorsed with the Designation Tender No. E7/75. The Tenderer's name shall not appear on the envelope.

This notice is complementary to the details given in the official Specification and in no way modifies the details contained therein.

SAID IBRAHIM DARWISH,
Deputy Minister.

STOCK EXCHANGE REPORT

Leaders fluctuate narrowly in quiet day's trade

Index 0.2 off at 320.1—Royal Insurance good

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Aug. 22	Sep. 4	Sep. 5	Sep. 16
Sep. 8	Sep. 18	Sep. 19	Sep. 30
Sep. 22	Oct. 2	Oct. 3	Oct. 14

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The main feature of an otherwise quiet day in stock markets was the announcement at the opening of business of a £63.7m. "rights" issue by Royal Insurance, up 7 at 295p, after extremes of 286p and 296p. This news coupled with the overnight setback on Wall Street prompted precautionary marking down of leading industrials by a few pence or so. However, sellers failed to materialise and by mid-day initial losses were recouped and sometimes replaced by small gains. Thereafter, it was a case of minor fluctuations and final quotations were little altered from overnight closing levels. Down 1.6 at 10 a.m. and a net point up at noon, the FT 30-share ended 0.2 lower on balance at 320.1.

Indications that Government borrowing is running well above Budget estimates undermined sentiment in Gilt-edged which closed with falls ranging to ½ and left the Government Securities index 0.21 lower at 61.16.

Gilts drift

Second-line equities failed to show a decided trend, but gains had a small majority over falls in FT-quoted Industrials and the FT-Actuaries All-Share Index hardened a shade to 138.79. A gradual fall in the level of activity over the week so far was reflected in official markings of 4,780 compared with 5,140 on Tuesday and 5,404 on Monday.

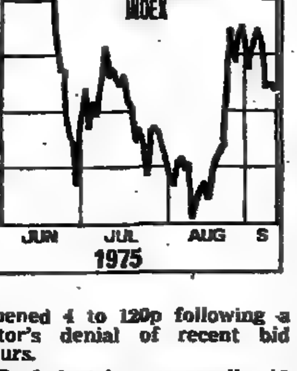
The factors relevant to Gilt-edged were generally bearish in content and market sentiment reacted accordingly. Opening quotations were often ½ down on overnight levels and many long-dated issues drifted another ½ lower following the announcement of the second-quarter total net borrowing figures of local authorities. Meanwhile, the shorts staged a tentative rally but they too turned hesitant late and closed marginally easier in places. Business at both ends of the market was described as desperately small.

Occasional offering released overnight by non-resident activity in South African Gold shares were largely responsible for an early fall in the investment currency premium to 94½p per cent. When the selling faded, however, a revived small demand developed which took the rate up to 95¾ per cent. for a net loss of only a point. Yesterday's SE conversion factor was 0.6288 (0.6208).

The announcement of a £63.71m. "rights" issue from "Royals" came as no real surprise after the recent strong speculation and generally relieved jobbers on the Insurance pitch because the new is now out. Prices of Composites generally picked up and a firmer trend was evident at the close. Additionally helped by the trading forecast which accompanied news of the "rights," "Royals" quickly rallied from 286p to touch 296p before closing 7 better on balance at 295p. Guardian Royal Exchange closed 4 up at 186p, after 192p, on the much better-than-expected interim profits, while Commercial Union hardened a penny to 144p, after 146p. Phoenix, however, eased a penny to 211p, after 210p, on the half-year figures which were generally in line with market expectations.

Home banks moved narrowly in light trading to close unchanged at overnight levels. Press comment on the capital restructuring package which is expected next Tuesday helped Grindlays rise 4 to 42p. Australia and New Zealand hardened 7 to 387p as did Standard and Chartered, to 480p. Hong Kong and Shanghai, on the other hand, lost 7 to 228p. Among irregular Merchant banks, Guinness Peat cheapened 3½ to 151½p on the results.

Breweries closed easier for choice after a small business. Wolverhampton and Dudley cheapened 4 to 120p following a director's denial of recent bid rumours.



BPB Industries new nil-paid shares earned the distinction of being the day's second most active stock and closed a penny harder at 44p premium, after 45p, with the old finishing 3 better at 112p. Marchwiel moved up 3½ to 94½p, while Tarmac, 143p, and H. C. Janes, 133p, put on 3 apiece. Timbers made modest headway, May and Hassell closing 2 up at 58p and Parker 3 higher at 56p. R. Costain turned reactionary following Press comment on the interim statement, falling 4 to 208p.

After touching 261p, ICI rallied to close a penny better on balance at 266p. Elsewhere in Chemicals, Alginate Industries advanced 8 to 176p in response to small buying in a thin market. Fisons improved 4 to 377p, while gains of 3 were seen in Farm Feed, 38p, and Lankro, 92p.

Entertainments had Howard and Wyndham 3 higher at 23p.

Wearwell volatile

Wearwell featured Stores, falling to 30p on persistent selling in a thin market before rallying strongly to close only 2 cheaper on balance at 44p following a reasonable business. Elsewhere, Marks and Spencer were finally 2 off at 101p, after 99p, and "Gussies" 'A' shed 5 to 171p. Audiotronic were also dull at 39p, down 4, following Press comment on the interim results, but I. J. Dewhirst responded to the increased first-half profits with a rise of 3 to 52p while Weston Pharmaceuticals hardened 3 to 37p with the help of a Press mention. Awaiting to-day's preliminary figures, Peters Stores firmed 2 to 46p. Among smaller-priced issues, Maple Macowards hardened a penny to 11p and Polly Peck 1½ to 6p. Amber Day made no apparent response to the results, the Ordinary and Preferred both closing unchanged at 32p and 42p respectively.

Slack trading conditions continued to prevail in leading Electricals, where prices, after opening on a dull note, moved within narrow limits close with slight losses on the day. GEC finished 3 down at 122p, after 121p, and Plessey a penny off at 73p, after 72p, while EMI declined 3 to 181p. Philips' Lamp reflected easier Amsterdam advices with a reaction of 25 to 685p, but Reyrolle Parsons, in front of to-morrow's interim announcement, edged up a penny more to 34p. Secondary issues seldom stirred from overnight levels. Henry Wigfall, 108p, and George H. Scholes, 148p, hardened 3 apiece.

Highlighting a rather drab Engineering sector was sudden demand for Acrow issues which, in a market none too well supplied with stock, brought gains of 7 in both the Ordinary, 85p, and the "A," 82p. Rotork, up 6 at 93p, provided another feature, but there was little else worthy of mention. The leaders slipped modest amounts, Hawker closing 2 off at 294p, after 290p, and Tube Investments unchanged at 232p, after 230p. Head Wrightson, at 25½p, regained the previous day's loss of 3, while Automatic-Oil moved up 3 further to 46p.

Little of interest occurred in Foods which generally closed little changed. St. Kitts (London) Sugar, still on bid hopes, moved up 5 more to 110p for a two-day rise of 12, while Taverner Rutledge improved similarly to 67p on the higher first-half profits. United Biscuits were also firm, rising 4 to a 1975 peak of 105p. Supermarkets were neglected and rarely stirred from the overnight levels and similar conditions applied in Hotels and Caterers.

Trade was again light in the miscellaneous industrial leaders, but prices followed Tuesday's pattern and improved after an initial small mark-down. Unilever finished 4 firmer at 374p, after 364p, while Glaxo, 383p, after moving between 376p and 386p, and Reed International, 227p, both ended 3 better. Net gains of 2 were recorded in Beecham, 302p, after 298p, and Bowater, 156p, after extremes of 151p and 158p. Reckitt and Colman, still on the half-year profits increase, improved afresh to 313p, but later slipped back to close unaltered at 310p. Rank Organisation "A," following the overnight Wall Street setback, made a dull showing at 143p, down 5. Elsewhere, Cape Industries found fresh favour and advanced 9 to a peak for the year of 115p; the interim results are expected on October 7. Portals improved 5 to 132p ahead of to-day's half-time figures, while Bestobell responded to the half-year expansion in profits with a rise of 4 to 142p. The preliminary results left Zetters 2 better at 22p, and the chairman's bullish statement at the annual meeting raised B. Fertleman 3 to a 1975 high of 54p. Nairn Williamson closed 2 higher at 94p, after 98p, following further speculative buying on the bid talks with Low and Bonar, also 2 firmer at 160p.

Central Manufacturing ended 2 better at 48p, after 50p, mainly on country buying reflecting thoughts that, instead of the company's bid for LCP going through, the latter might make an offer for Central Manufacturing. LCP shed 2 to 48p. Marshall's Universal, still helped by recent Press comment, improved 4 more to 114p.

Motors and Distributors made a relatively firm showing despite news of the substantial reduction in car output in August. British Leyland edged up 3 to 43p, sentiment being helped by the publicity given to the launch of the Jaguar XJ-S at the Frankfurt Motor Show. Armstrong Equipment responded to the preliminary figures with a rise of 3 to 45p, while Harmo Industries put on 2 at 21p and Dowty recorded a gain of 3 at 110p.

Enthusiasm reawakened for Newspapers and, in a market none too well off for stock, reasonable-sized gains appeared. Associated Newspapers moved up 5 to 98p and Thomson rose 4 to 181p, both being helped to some extent by their North Sea interests, while News International gained 3 to 99p. Beaverbrook "A" were not left out and improved 2 more to 35½p. Among Publishers, William Collins issues were unaffected by the interim profits; the Ordinary and "A" remaining at 78p, but Gordon and Gotch met with an isolated seller and lost 3 to 54p.

Extremely quiet conditions prevailed in Properties. The leaders showed a softening tendency, Land Securities shedding 3 to 167p and MEPC 2 to 76p. Favourable investment comment failed to stimulate Amalgamated Investment and Property, which ended fractionally easier at 31½p. Secondary issues generally moved narrowly with no decided trend. Great Portland Estates managed an improvement of 4 to 206p, while gains of 2 were registered in Argyle Securities, 48½p, Barratt Developments, 103p, and London Shop Property Trust, 40p. Hammerson "A", on the other hand, receded 7 to 323p, while Imry Property, in a thin market, lost 10 to 200p.

Various reasons were put forward to account for renewed strong demand for Burmah, including a partial sale of its Signal Oil interests at a favourable price and wild speculation about an Arab bid; neither were given much credence by dealers, but the price rose afresh to 39p before easing to close a net 3 higher at 37p. Leading Oils were relatively quiet and British Petroleum managed a recovery of 5 to 525p, while Shell finished unaltered at 336p, after 334p. After-the-event profit-taking lowered Gas and Oil Acreage 6 to 184p; the company has a small stake in the Transworld exploration group which has confirmed a North Sea oil find. Elsewhere, Royal Dutch reacted on investment premium influences to end ½ down at £27½ and Pan Ocean lost 25 to 670p.

Overseas Traders were inclined to take a turn for the better. Paterson Zochonis improved 20 to 360p in a thin market, while Booker McConnell, with interim results due September 22, gained 4 to 152p.

A particularly firm market of late on persistent speculative buying, Furness Withy took a turn for the worse yesterday following the disclosure by Eurocanadian Shipholdings that it, and its associates, have a 28.55 per cent. holding in F.W. as an investment; opening at around 249p, the shares edged forward to 251p before reacting steadily on the announcement to close 11 down on the day at 238p. Elsewhere, a light trade was transacted and a generally firm trend was evident by the close. Still drawing strength from the better-than-expected half-year profits, Ocean Transport rose 3½ more to 104p, while P. and O. Deferred edged forward a penny to 89p, but Felixstowe Dock were unmoved by the results and closed unaltered at 79p.

Stimulated by news that Mr. Tony Buckley, ex-managing director of Slater Walker Securities, is to become managing director of Lamont Holdings, buyers took the latter's shares up 9½ to a 1975 high of 40p. Floreat Investments, 45p, however, gave back a penny of the previous day's gain of 16 which followed news that the same Mr. Buckley is to take control of the group.

An investment recommendation brought firmness to Slimma which rose 4 to 34p in Textiles where David Dixon closed a similar amount dearer at 30p. Charles Early and Marriott hardened a penny to 22p in front of to-morrow's interim results, but Carpets International, which report half-year figures to-day were unmoved at 62p. Following Tuesday's bear squeeze, Courtaulds were quieter and closed unaltered at the overnight level of 130p, after 132p.

Rubbers edged higher in places. Guthrie picked up 3 to 156p and Bradwall and Malakoff were 2 higher at 66p and 64p respectively. Clairmace hardened ... lar amount to 58p in ... idle Teas.

A recovery in the bul... although it closed below ... highest, prompted a simil... ment in shares of the ... producers. The Gold Min... regained 2.8 at 302.2 ... gold prices, after being ... ounce, ended 87½ cent... $149.625.

Trading was at a low ... selective early interest ... some from the U.S., ... lowing the lower afterno... of the metal. Gains in the ... weights ranged to ½ in F... Geduld, at £26½, while ... lower-priced issues ... were 30 to the good at ...

Financials were general... Union Corporation were ... at 480p reflecting expect... lower profits for the ... despite the modest increa... first-half figures. UCI we... at 360p. Cape and local ... were reported in Platinum ... Potgietersrust gave up ...

Further consideration ... production cut-back at ... African mine brought ... and London offerings of ... which fell 15 to 330p ... were also lower, falling ... 870p reflecting the recen... turn in the copper price.

Australian issues mirro... firmness of overnight ... markets and took little ... the early setback in the ... ment dollar premium. Pe... end were 10 to the good. Tins were a shade firmer ... changed except for Geev... gave up 10 at 190p on ... taking.

Elsewhere, the Rhodes... producing Falcon Mines ... better at 210p owing to ... than-expected final divide... were ½ off at £11 follow... latest half-yearly financi...

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	EQUITY GROUPS / GROUPS & SUB-SECTIONS	Wed. Sept. 10, 1975 Index No.	Day's Change %	Est. Earnings Yield % (Max.) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Tuesday Sept. 9 Index No.	Monday Sept. 8 Index No.	Friday Sept. 5 Index No.	Thurs. Sept. 4 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	118.24	+0.5	19.60	6.85	7.61	7.60	117.65	117.91	119.84	119.77	75.48	131.26 (6/6)	51.78 (6/1)	206.57 (4/5/72)	15.70 (13/12/74)
2	Building Materials (30)	110.90	+1.0	15.65	7.18	9.70	9.70	109.82	110.51	113.11	113.23	72.21	117.40 (22/4)	46.11 (6/1)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	220.57	+0.7	16.38	4.19	9.09	9.09	218.94	219.64	221.62	219.91	111.17	261.61 (23/4)	74.74 (6/1)	389.35 (19/5/72)	71.48 (12/12/74)
4	Electricals (17)	209.65	−0.5	19.40	5.85	7.57	7.56	210.90	210.74	214.57	217.89	142.66	234.64 (6/6)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	145.54	+0.5	23.77	7.46	64.1	5.41	145.06	145.45	147.09	144.85	90.57	159.79 (22/4)	64.39 (2/1)	202.57 (8/6/73)	64.39 (2/1/75)
6	Engineering (General) (63)	101.35	+1.0	21.71	8.15	5.81	6.81	100.30	100.34	101.69	101.53	64.55	117.40 (6/6)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	39.83	+0.1	19.58	10.54	9.32	9.32	39.76	39.94	40.40	40.60	28.79	48.98 (20/5)	20.11 (2/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (24)	102.32	+0.5	24.07	7.64	6.22	6.22	101.83	102.39	102.31	101.78	68.02	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (57)	93.58	+0.9	19.18	6.51	7.61	7.59	92.53	92.65	94.56	95.95	58.60	94.56 (5/9)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	112.54	+0.7	17.51	4.75	8.45	8.44	111.79	111.80	114.17	113.67	64.27	114.17 (5/9)	44.28 (6/1)	257.41 (19/5/72)	42.86 (12/12/74)
11	Household Goods (15)	137.79	+0.8	18.68	7.44	7.77	7.77	136.70	137.56	139.52	137.55	94.12	146.90 (23/4)	64.53 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	47.37	+1.5	22.78	9.85	6.30	6.27	46.69	47.30	47.80	47.52	33.57	50.91 (6/6)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	150.77	+0.1	15.29	6.47	9.45	9.39	150.60	151.02	153.92	154.49	81.65	146.45 (6/6)	61.98 (6/1)	226.08 (16/2/72)	61.41 (13/12/74)
14	Breweries (16)	149.65	−1.0	13.31	6.80	11.36	11.36	148.03	149.31	152.07	152.08	94.41	165.85 (6/6)	75.58 (6/1)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	132.12	—	14.75	7.69	10.24	10.24	132.12	132.20	134.47	134.92	110.35	177.94 (9/7)	80.42 (6/1)	257.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	149.08	+0.5	14.00	7.64	11.08	10.52	148.42	149.72	152.85	154.12	77.98	158.44 (27/6)	55.28 (6/1)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	142.86	+1.2	14.38	5.67	9.56	9.52	141.15	141.62	145.95	145.64	77.46	156.67 (6/6)	62.03 (2/1)	211.65 (1/5/72)	59.77 (11/12/74)
18	Food Retailing (16)	155.06	+0.4	11.00	4.84	15.03	15.03	152.47	153.76	156.86	159.55	74.11	149.17 (4/6)	57.15 (2/1)	235.08 (15/5/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	133.42	+2.7	15.44	7.31	9.81	9.81	129.95	130.98	132.46	130.97	97.51	152.14 (6/6)	55.08 (6/1)	260.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	86.89	+1.5	25.44	8.46	5.77	5.77	85.60	86.81	88.57	89.04	60.72	107.12 (20/5)	45.46 (6/1)	135.69 (25/4/72)	45.46 (6/1/75)
21	Stores (31)	110.54	−1.9	13.11	5.90	11.67	11.67	112.69	112.92	115.87	117.17	69.56	133.94 (20/5)	52.63 (6/1)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (23)	159.06	—	24.80	7.70	4.86	4.74	159.01	156.62	158.85	159.06	97.97	145.07 (27/6)	62.91 (6/1)	255.72 (17/8/66)	62.56 (11/12/74)
23	Tobacco (3)	191.04	+0.8	17.74	7.05	8.68	8.56	189.51	190.73	196.20	192.57	123.28	199.16 (10/3)	109.92 (6/1)	339.16 (2/2/72)	94.34 (13/6/62)
24	Toys and Games (6)	62.66	+3.0	25.86	6.88	6.56	6.36	51.10	51.28	50.92	49.35	30.22	52.65 (10/9)	20.92 (6/1)	135.72 (14/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (24)	169.40	—	16.75	5.65	8.57	8.37	169.47	170.66	176.16	173.51	101.94	180.17 (6/6)	73.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	80.75	−1.1	17.04	6.45	8.18	8.18	81.61	82.14	82.64	81.75	66.82	104.78 (17/4)	45.34 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	339.82	−0.9	24.15	7.05	5.31	5.15	336.74	333.28	333.25	336.46	247.51	401.84 (10/5)	194.38 (6/1)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (46)	135.50	+0.5	19.53	7.44	7.50	7.50	134.68	136.07	138.89	138.34	90.96	153.56 (6/6)	60.39 (6/1)	258.65 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	128.84	+0.2	17.21	6.54	8.40	8.36	128.52	128.94	131.71	131.64	81.99	143.45 (6/6)	59.19 (6/1)	220.17 (1/5/72)	99.01 (13/12/74)
30	OILS (4)	296.49	+0.2	16.97	5.35	6.58	5.89	295.87	298.57	306.59	305.32	167.15	306.59 (5/9)	105.85 (2/1)	431.66 (28/6/69)	87.23 (29/5/62)
31	500 SHARE INDEX	142.74	+0.2	17.18	6.33	8.04	7.84	142.39	142.99	146.19	146.04	89.22	156.14 (6/6)	65.49 (6/1)	227.96 (16/5/72)	65.49 (13/12/74)
32	FINANCIAL GROUP (100)	125.52	+0.1	—	5.72	—	—	125.38	126.34	128.90	129.80	82.85	148.45 (20/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	147.89	−0.2	18.95	5.41	7.68	7.88	147.65	147.32	150.93	152.46	87.97	177.11 (5/6)	62.56 (2/1)	288.32 (3/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	152.51	—	—	7.94	—	—	152.39	152.80	152.25	153.39	106.24	169.27 (7/5)	84.15 (6/1)	293.13 (27/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	91.94	+2.0	19.69	9.18	7.27	6.69	90.17	89.75	89.87	90.28	81.46	134.39 (10/5)	43.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	107.22	+1.5	—	6.37	—	—	105.81	105.83	109.51	110.16	67.28	127.97 (25/4)	44.88 (2/1)	194.46 (15/5/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	101.95	−0.4	—	6.46	—	—	102.36	102.33	106.40	107.45	60.31	113.90 (20/5)	44.47 (2/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	189.00	−0.7	10.70	4.60	13.90	13.90	190.34	191.18	194.51	193.86	100.82	211.80 (20/5)	68.96 (7/1)	262.57 (12/12/73)	65.86 (16/12/74)
39	Merchant Banks (19)	81.44	+0.6	—	6.60	—	—	80.98	81.37	82.71	82.88	57.78	94.97 (7/5)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	163.18	−0.1	5.07	3.66	44.72	42.47	163.42	163.56	167.80	168.48	141.16	241.22 (22/4)	88.19 (7/1)	357.40 (9/11/73)	56.01 (30/4/65)
41	Miscellaneous (5)	68.71	−0.3	17.76	10.44	8.30	8.21	63.88	63.88	65.25	64.56	55.23	75.78 (25/4)	34.78 (10/1)	303.13 (12/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	155.56	+0.5	3.23	4.64	30.94	30.92	153.06	155.15	157.47	157.28	94.07	178.53 (6/6)	73.45 (6/1)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	138.79	+0.2	—	6.11	—	—	138.48	139.02	142.22	142.30	87.65	154.09 (6/6)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	407.42	+0.3	13.80	8.09	10.64	10.46	406.13	410.14	411.27	407.83	323.71	525.43 (23/5)	281.66 (2/1)	555.37 (23/7/73)	84.68 (25/6/65)
45	Teas (10)	102.00	—	40.19	10.33	3.58	3.46	102.01	100.86	100.86	100.51	68.51	104.15 (16/7)	76.76 (13/1)	121.47 (1/6/72)	59.72 (17/10/74)
46	Coppers (3)	361.24	−3.7	54.36	20.91	1.84	1.84	375.24	368.92	372.08	376.65	325.22	467.74 (27/5)	349.53 (22/7)	567.78 (15/7/73)	94.08 (29/4/63)
47	Mining Finance (11)	114.84	−1.7	10.67	4.36	10.29	10.29	116.81	116.99	117.78	117.66	79.07	141.34 (30/5)	80.58 (22/1)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	93.26	+0.4	10.94	9.22	11.78	10.12	92.85	94.54	96.07	95.35	72.89	114.49 (5/6)	58.91 (6/1)	125.43 (12/1/73)	54.85 (27/5/71)
49	Overseas Traders (13)	209.58	+1.4	16.56	4.72	7.73	7.72	206.66	202.15	210.98	211.04	—	252.23 (20/5)	97.37 (6/1)	252.23 (20/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Wed. Sept. 10 Index No.	Wed. Sept. 10 Yield %	Tuesday Sept. 9	Monday Sept. 8	Friday Sept. 5	Thurs. Sept. 4	Wed. Sept. 3	Tues. Sept. 2	Mon. Sept. 1	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.05	13.94	14.04	13.92	13.92	13.91	13.91	13.90	15.00	—	—	—	—
2	20-yr. Govt. Stocks (6)	50.57	12.88	50.81	50.84	51.23	51.27	51.00	51.01	50.97	47.15	53.09 (20/5)	38.27 (3/1)	116.42 (11/3/65)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	47.60	15.42	47.63	48.12	48.17	48.08	47.89	47.76	47.74	42.23	50.68 (21/5)	37.01 (3/1)	113.43 (25/1/65)	37.01 (3/1/75)
4	Investment Trusts Prefs. (15)	46.24	14.95	46.24	46.29	46.58	46.53	46.55	46.55	46.58	38.29	47.30 (29/7)	35.35 (3/1)	114.41 (15/2/65)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	65.06	14.46	66.01	66.10	66.55	65.39	65.37	65.64	65.65	53.17	68.02 (6/8)	48.35 (3/1)	114.95 (7/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	148.76	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	162.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20			

‡ Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 18p. Commonwealth 18p. Foreign 22p.

FINANCIAL TIMES STOCK INDICES

	Sept. 10	Sept. 9	Sept. 8	Sept. 5	Sept. 4	Sept. 3
Government Secs.	61.16	61.37	61.33	61.63	61.68	61.59
Fixed Interest	60.82	60.88	60.88	61.19	61.16	61.04
Industrial Ordinary	320.1	320.3	319.1	327.3	329.3	320.9
Gold Mines	302.2	299.4	311.8	316.4	321.2	309.3
Ord. Div. Yld. %	6.47	6.47	6.49	6.33	6.28	6.45
Earnings Yld. % (full) (a)	17.92	18.00	18.06	17.61	18.11	18.59
P/E Ratio (net) (a) (b)	7.92	7.89	7.86	8.06	7.87	7.66
Dealings marked	4,780	5,140	5,404	5,312	4,461	4,898
Equity turnover £m.	—	43.38	48.29	67.40	68.85	40.75
Equity bargains total	—	11,585	12,635	14,004	13,248	10,588

10 a.m. 318.7. 11 a.m. 319.2. Noon 321.3. 1 p.m. 321.1. 2 p.m. 320.6. 3 p.m. 320.1.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=7.87.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/5)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/5)	50.63 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.5 (5/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	280.8 (30/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Sept. 10
Daily—	
Gilt-Edged	148.8
Industrials	169.2
Speculative	45.9
Totals	108.8
5-day Av'ge	
Gilt-Edged	151.5
Industrials	168.8
Speculative	49.4
Totals	114.2

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	15	266	+1	302	118
BPB Ind. 'New'	Nil/pd.	13	44*	+1	45*	32*
Natl. Westminster	£1	12	218	—	275	88
Royal Insurance	25p	11	295	+7	330	125
BP	£1	9	525	+5	555	190
Shell Transport	25p	9	336	—	345	118
Beecham	25p	8	302	+2	310	116
"Bats"	25p	8	293	—	338	184
Burmah Oil	£1	8	37	+3	100	27
BOC Int'l.	25p	7	48½	—	55½	16½
Bowater	£1	7	156	+2	175	50
Cons. Gold Fields	25p	7	208	—	290	188
Glaxo	50p	7	383	+3	427	198
Grand Met.	50p	7	63	+1	69	19½
Norcros 'New'	Nil/pd.	7	15½*	−½	16*	9½*

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Sep. 2	Sep. 15	Nov. 27	Dec. 9
Sep. 16	Sep. 29	Dec. 11	Dec. 23
Sep. 30	Oct. 13	Dec. 23	Jan. 8

"Calls" were dealt in Burmah Oil, National Westminster Bank warrants, English China Clays, Plessey, Hanson Trust, Land Securities, Royal Insurance, Ladbroke warrants, Charterhall Finance and Dunlop. No "puts" were reported, but "doubles" were arranged in Burmah Oil, Charterhall Finance, Mills and Allen and F. W. Woolworth.

Industrials		Grand Met.	7	Slater Walker	9		
		G.U.S. 'A'	17	Spillers	5	Mines	
A. P. Cement	15	Guardian	20	Tesco	6	Anglo Amer.	30
Assoc. Leisure	5	G.K.N.	22	Thorn "A"	17	Broken Hill Prp.	76
Barclays Bank	25	Hawker Sidd.	27	Tube Invest.	24	Charter Cons.	22
Beecham	26	House of Fraser	8	Unilever	35	Chart'h'll Fin.	10
Boots Drug	12	Hudson (Wilm.)	4	Utd. Drapery	10	Cons Gold	22
Bowaters	16	I.C.I.	21	Vickers	13	De Beers Dfd.	35
B.A.T.	30	"Imps"	7	Woolworths	6	F. S. Geduld	350
British Leyland	7	I.C.L.	7			Great Boulder	12
BOC Int.	8½	Inveresk	7	Property		Hampton Areas	15
Burton 'A'	9	Legal & General	13	Cap. Counties	4½	Hampton Prop.	4
Cadburys	6	Lloyds Bank	22	E.P.	8	Kloof	140
Courtaulds	12	"Lofs"	6	Int. Europe	6	Lonrho	13
Debenhams	8	"Mams"	6	Land Securities	18	Loraine	56
Distillers	13	Marks & Spencer	11	Peachey	6	Metals Explor.	8
Dunlop	5½	Midland Bank	25	Town & City	4½	Poseidon	66
Eagle Star	15	NatWest Bank	22	Town & Comm.	4	Pres. Steyn	275
E.M.I.	17	P & O Dfd.	10			Rio T. Zinc	20
First National	2	Plessey	8	Oils		Welkom	55
G.R.A. Trust	4	R.H.M.	5	Brit. Petroleum	45	West Areas	75
Gen. Accident	16	Rank Org. 'A'	17	Burmah Oil	5	Western M'ng	18
Gen. Electric	13	Reed Intl.	23	Shell	40	Zambia Copp.	1½
Glaxo	40			Ultramar	21		

NEW HIGHS AND LOWS FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975.

NEW HIGHS (24)

BUILDINGS (4)

Aberdeen Constr. — Janes (H. C.)
BPB Industries — Marshalls (Halifax)

ENGINEERING (4)

Acrow (Engineers) — Mitchell Somers
Do. 'A' — Savile Gordon

FOODS (3)

Cullens 'A' — United Biscuits
Taverner Rutledge

INDUSTRIALS (10)

A.V.P. Industries — Fertleman (B.)
Airfix N/V — Plastocraft
Alpine Holdings — Siebe Gorman
Cape Industries — Stonehill Holdings
Caravans Internatl. — Whatman Reeve Angel

PAPERS (1)

Jemrose

TRUSTS (1)

Lamont

MINES (1)

Petaling

NEW LOWS (9)

AMERICANS (2)

International Hldgs. — Penn Central

STORES (1)

Steinberg

MINES (6)

Wit. Nigel — Venterspost
Doornfontein — Loraine
Southvaal — General Mining

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	2	38	14
Corpns. Dom. and Foreign Bonds	7	7	57
Industrials	326	252	1,292
Financial and Prop.	99	85	423
Oils	2	6	19
Plantations	4	4	38
Mines	43	40	70
Recent Issues	13	5	27
Totals	592	432	1,980

MONEY MARKET

Small surplus

There was a surplus of day-to-day credit in the London money market yesterday and the houses balanced their books without official intervention. Factors working against the market were: run-down bank balances from the previous day, a net market take-up of Treasury bills, and Commercial bill and Local Authority bill maturities. These were offset by a fall in the note circulation and an excess of Government disbursements over revenue transfers to the Exchequer. Discount houses paid around 10-10¼ per cent. for secured call loans at the start and rates eased during the day to close at 9-9½ per cent. Some funds, however, may have been found in the region of 8 per cent.

In the inter-bank market overnight loans opened around 10¼-10⅜ per cent. and remained at 10¼-10½ per cent. until early afternoon when rates softened to close in the region of 7 per cent. Short-term fixed period interest rates were slightly firmer with the three-month Sterling certificate yield rising to 10⅞-10⅞ per cent. from 10⅞-10⅞ per cent., the six-month 10⅞-10⅞ per cent. from month 10⅞-10⅞ per cent. against 10⅞-10⅝ per cent.

Rates in the table below are nominal in some cases.

Sept. 10 1975	Sterling Certificates of deposit	Interbank	Local Authority deposits†	Local Auth. negotiable bonds	Finance house deposits	Company deposits	Discount market deposits	Treasury bills Φ	Bank bills Φ	Fine trade bills Φ
Overnight	—	7-10⅛	—	—	—	10⅞-11	8-10½	—	—	—
2 days notice	—	—	10-10⅛	—	—	—	—	—	—	—
7 days or 7 days notice	—	10⅛-10⅜	10⅛-10¼	—	—	—	—	—	—	—
One month	10⅞-10⅜	10⅞-11⅞	10⅛-10¼	10½-10¾	10¾-11¼	—	10-10½	—	—	—
Two months	10⅞-10⅞	10⅞-10⅞	—	10½-10¾	11-11⅛	—	10-10½	10⅞	10⅝-10⅞	11¼-10⅞
Three months	10⅞-10⅞	10⅞-10⅞	10⅞-10⅝	10¾-10⅞	11¼-11⅜	—	10-10½	10⅞-10¾	10⅞	11¼-10⅞
Six months	10⅞-10⅝	10⅞-10⅞	10⅝-10⅞	10⅞-10⅝	11⅛-11⅜	—	10⅛	10⅝-10⅞	10⅞-10⅞	11¼-11
Nine months	10½-10¾	10⅞-10⅞	—	11¼-11	11⅛-11¼	—	—	—	10⅝-10⅛	11⅛
One year	10⅞-10⅝	10⅞-10⅞	11⅛-11⅛	11¼-11	11⅛-11⅜	—	—	—	—	—
Two years	—	11⅛-11⅜	12-12¼	11⅜-11⅛	—	—	—	—	—	—

†Local authority and finance houses seven days' notice others seven days' fixed. *Long-term local authority mortgage rate nominally three years 13 per cent.; four years 13½-13⅞ per cent.; five years 13½-14 per cent. Φ Banks bill rates in table are buying rates for prime paper, buying rates four-month bank bills 10⅞ per cent.; and four-month trade bills 11½-11⅝ per cent. Approximate selling rates for one-month Treasury bills 10⅞-10⅜ per cent.; two-month 10⅞-10½ per cent.; three-month 10½ per cent. Approximate selling rates for one-month bank bills 10⅛-10⅜ per cent.; two-month 10⅞-10½ per cent.; and three-month 10⅞-10⅝ per cent.; for one-month trade bills 10⅞ per cent., two-month 10½ per cent.; and three-month 10⅞ per cent.

Finance House Base Rate (published by the Finance Houses Association) 10½ per cent. from September 1. Clearing Bank Deposit Rates for small sums at seven days' notice 6 per cent. Clearing Banks Rates for lending 10 per cent. Treasury Bills: Average tender rates of discount 10.3675 per cent.

BASE LENDING RATES

A.P.T. International ...
Allied Irish Banks Ltd. ...
Anglo-Portuguese Bank ...
Henry Ansbacher ...
Banco de Bilbao ...
Bank of ...
Bank of Cyprus ...
Banque du Rhone ...
Barclays Bank ...
Barnett, Christie Ltd. ...
Bremar Holdings Ltd. ...
Brit. Bank of Mid. East ...
■ Brown Shipley ...
Cayzer, Bowater Co. Ltd. ...
Cedar Holdings ...
■ Charterhouse Japhet ...
C. E. Coates ...
Consolidated Credits ...
Continental Trade Bk. ...
Co-operative Bank ...
Copleys Bank ...
Corinthian Securities ...
Credit Lyonnais ...
G. R. Dawes ...
Duboff Brothers ...
Duncan Lawrie ...
English Transcont. ...
First London Secs. ...
■ Antony Gibbs ...
Goode Durrant Trust ...
Greyhound Guaranty ...
Grindlays Bank ...
■ Guinness Mahon ...
■ Hambros Bank ...
Hawtin & Partners ...
■ Hill Samuel ...
C. Hoare & Co. ...
Julian S. Hodge ...
Industrial Bank of Scot. ...
Jacob ...
Keyser Ullmann ...
Knowsley & Co. Ltd. ...
Lloyds Bank ...
London & European ...
London Mercantile ...
Midland Bank ...
■ Samuel Montagu ...
■ Morgan Grenfell ...
National Westminster ...
Northern Comm. Trust ...
Norwich General Trust ...
Portman Guaranty ...
P. S. Refson & Co. ...
Rossminster Accepts ...
Royal Trust of Canada ...
Schlesinger Limited ...
E. S. Schwab ...
Security Trust Co. Ltd. ...
Shenley Trust ...
Standard & Chartered ...
Sterling Credit ...
Thames Guaranty ...
Trade Development Bk. ...
Twentieth Century Bk. ...
United Bank of Kuwait ...
Wallace Brothers Bank ...
Whiteaway Laidlaw ...
Williams and Glyn's ...
Yorkshire Bank ...

■ Members of the Accepting Houses Committee.
* 7-day deposits 6%, 1-month deposits ...
† 7-day deposits on sums of £10,000 and under 5%, up to £25,000 ... over £25,000 ...
‡ Call deposits over £1,000 ...%
§ Demand deposits ...%

CORAL INDEX

Close 316-321

I.G. INDEX

GOLD 149-152

INSURANCE BASE RATES

† Atlantic Assurance ...
Cannon Assurance ...
† Address shown under Insurance and Property Bond table.

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AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

LEADERS AND LAGGARDS

OFFSHORE AND OVERSEAS FUNDS

United States Tst. Intl. Adv. Co.,
14, Rue Aldringer, Luxembourg.

U.S. Tst. Inv. Fnd.	US$11.06	-0.21	1.06

Net asset value Sept. 9.

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555

CMT Ltd. Aug. 28	£9.93	10.19	.....	—
Conv. Bond Sept. 9	$US7.91		+0.01	—
Energy Int. Sept. 9	$US11.98		-0.07	—
Grsh.St.S'fd.Ag.29	US$6.62		.....	—
TMT Ltd. Aug. 14	£10.41	10.68	.....	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg.

World Wide Gth. Fd	$US10.86	-0.09	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. § Guernsey yield. # Suspended. ☆ Single premium insurance bonds.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅜	94[illegible]	Exch. 6½pc 1976‡‡	96¼	...	6.62	10.39
97¾	92[illegible]	Treasury 6½pc 1976‡‡	96[illegible]	..	6.71	10.17
99	97	Victory 4pc 1976‡‡	99	.....	4.04	—
102	96⅞	Treasury 10½pc 1976‡‡	99[illegible]	....	10.50	10.45
95¼	88¾	Treasury 6½pc 1977‡‡	94[illegible]	.....	6.59	10.12
94½	86¾	Electric 3pc '74-77	93[illegible]xd	..	3.20	7.46
103[illegible]	96⅔	Treasury 11½pc '77‡‡	101[illegible]	....	11.35	10.77
88[illegible]	84	Treasury 3pc '77‡‡	88[illegible]	+[illegible]	3.40	9.01
90[illegible]	84⅜	Transport 4pc '72-77	89¾	.....	4.46	9.07
96[illegible]	90½	Treasury 9pc 1978‡‡	94[illegible]xd	−[illegible]	9.49	11.46
100[illegible]	96[illegible]	Treasury 10½pc '78‡‡	97[illegible]	.....	10.78	11.54
87½	79	Exchequer 5pc '76-78‡‡	87[illegible]	+[illegible]	5.72	9.91
103	94[illegible]	Treasury 11½pc '79‡‡	99⅞	−[illegible]	11.51	11.55
79[illegible]	71[illegible]	Treasury 3pc '79‡‡	78[illegible]xd	.....	3.82	9.54
81[illegible]	73[illegible]	Electric 4¼pc '74-79	81[illegible]	.....	5.24	10.07
100[illegible]	94[illegible]	Treasury 10½pc '79‡‡	96¼	−⅛	10.85	11.47
79½	71	Electric 3½pc '76-79	79¼	....	4.41	9.63
95	84	Treasury 9pc 1980‡‡	90⅞	−[illegible]	9.90	11.67
95[illegible]	91	Treasury 9½pc '80‡‡	91[illegible]	−[illegible]	10.37	11.89
79	65¼	Treasury 3½pc '77-80	77¼	.....	4.53	9.54
84½	71	Funding 5¼pc '78-80‡‡	83[illegible]	......	6.32	9.75
		Five to Fifteen Years				
76¼	66⅛	Treasury 3½pc '79-81	75⅞	−⅛	4.63	9.31
91½	72⅝	Do 8¼pc '80-82‡‡	86⅞	−⅛	9.94	11.78
104[illegible]	86⅝	Treasury 12pc 1983‡‡	97[illegible]xd	−⅛	12.24	12.41
78	56	Funding 5½pc '82-84‡‡	74¾	−⅛	7.44	10.22
85¼	61⅞	Treasury 8¼pc '84-86‡‡	82⅜	−⅛	10.50	11.63
73¼	51⅞	Funding 6½pc '85-87‡‡	71⅝	−⅛	9.39	11.50
76¼	53	Treasury 7¾pc '85-88‡‡	73⅛	−⅛	10.74	12.15
47¼	32⅞	Transport 3pc '78-88	46	−¼	6.61	11.07
56⅞	39¼	Treasury 5pc '86-89	54xd	−¼	9.18	11.66
		Over Fifteen Years				
75½	57¼	Treasury 8½pc '87-90‡‡	71⅞	−¼	11.80	12.83
57⅞	41⅞	Funding 5¾pc '87-91‡‡	54¼	−¼	10.52	12.40
94⅝	44⅛	Treasury 12¾pc '92‡‡	94¼	−¼	13.71	13.82
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Undated

[illegible]

**INTERNATIONAL BANK

[illegible]

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 50% (based on $2.1153 per £)

CANADIANS

[illegible]

S.E. List Premium 50% (based on $2.1680 per £)

Conversion factor 0.6288 (0.6208)

††BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Cont.

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS & CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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INDUSTRIALS—Continued

[illegible]

INDUSTRIALS—Continued

[illegible]

††INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, Etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
£14¾	600	Durban Deep R1	633	+10	‡Q110c	ϕ	‡
£14	790	E. Rand Prp. R1	830	+10	‡Q115c	ϕ	‡
105	38	Rand Leases 25c	43	......	—	—	—
£34½	£22	Randf'tn Est. R1	£24¼	+¼	—	—	—
500	215	West Rand R1	225	+10	‡Q40c	1.3	‡

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
370	235	Bracken R1	254	+6	†Q51c	1.1	12.6
23	13	Daggafontein 50c	13	−1	—	—	—
105	43	East Dag R1	49	......	‡Q25c	ϕ	‡
140	140	Genl. Areas 5c	140ε	......	—	—	—
380	175	Grootvlei 30c	175	......	‡Q32c	1.1	‡
920	410	Kinross R1	615	+5	†Q50c	1.5	5.1
198	100	Leslie 5c	102	−1	†Q22c	1.6	13.5
550	235	Marievale 70c	245	+10	‡Q84c	1.1	‡
725	260	S. African Ld. 35c	295	−30	‡Q85c	1.2	‡
265	140	Vlakfontein R1	142	+2	Q35c	1.3	15.9
£13¾	840	Winkelhaak R1	930	+5	†Q94c	1.2	6.5
120	60	Wit. Nigel 25c	65	−2	Q1c	10.9	1.0

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
£11	680	Blyvoor 25	740	+10	Q100c	ϕ	8.5
£21½	£17	Buffels R1	£17¾	......	Q180c	ϕ	6.3
430	293	Deelkraal R0.20	330	+4	—	—	—
£14¼	760	Doornfontein R1	760	−40	Q110c	ϕ	9.2
£12¾	725	East Drie R1	925	−5	Q65c	ϕ	4.4
450	280	Elsburg R1	295	+10	Q45½c	—	9.7
£31	£16	Hartebeest R1	£22¼	−¼	Q215c	ϕ	6.1
£13¾	815	Kloof Gold R1	870	+10	Q55c	ϕ	4.0
£17¼	600	Libanon R1	830	−10	Q110c	ϕ	8.6
£13¾	830	Southvaal 50c	890	−20	Q9c	0.9	0.6
480	290	Stilfontein 50c	290	......	‡Q55c	1.3	‡
£35¾	£21	Vaal Reefs 50c	£24¼	......	‡Q220c	1.7	‡
£11½	490	Venterspost R1	490	−40	Q70c	ϕ	9.0
£55	£34	W. Drie R1	£53	+½	Q485c	ϕ	8.0
745	410	W'st'rn Areas R1	450	+10	†Q70c	1.4	10.2
£23	£15	Western Deep R2	£17½	+¼	‡Q160c	1.4	‡
530	295	Zandpan R1	390	−5	Q25½c	ϕ	5.8

O.F.S.

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
400	245	Fr. State Dev. 50c	245	......	Q15c	1.6	3.6
£32¾	£21	F.S. Geduld 50c	£26¾	+¾	†Q370c	1.1	7.5
265	185	F.S. Saaiplaas R1	194	+9	Q16c	1.1	5.2
960	550	Harmony 50c	730	+5	Q77c	ϕ	6.6
575	225	Loraine R1	225	−5	Q6c	ϕ	1.7
£28¼	£19½	Pres. Brand 50c	£21¾	+¼	†Q245c	1.3	7.0
£25¾	£13¾	Pres. Steyn 50c	£15½	+¾	†Q135c	1.8	5.4
£39¾	£21½	St. Helena R1	£27	+¼	†Q230c	1.2	5.3
340	210	Unisel	240	......	—	—	—
525	325	Welkom 50c	340	+15	†Q55c	1.6	10.1
£40	£27¾	W. Holdings 50c	£31½	+½	†Q445c	1.1	8.8

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
112	56	Botswana RST P2	66	−2	—	—	—
390	196	Messina R0.50	330	−15	‡Q60c	2.9	‡

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
8½	3	Burma Mine 17½p	8	......	m0.5	—	1.7
65	17	Charterhall 5p	51½	−1	—	—	—
115	40	Colby Mines $1	50	+5	—	—	—
760	360	Cons. Murch. 10c	680	......	‡Q130c	2.2	‡
53½	29½	Lamase	38	......	—	—	—
19	11	NRD $1	13	......	—	—	—
375	200	Northgate C$1	255	−5	Q65c	1.3	10.6
211	80	R.T.Z.	162	+1	4.97	4.4	4.8
135	47½	Sabina Inds. C$1	79	......	—	—	—
81	51	Stanford Mines $	65	......	—	—	—
£12½	875	Tara Expln. $1	£11	−¼	—	—	—
78	38	Yukon Cons C$1	66	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issues cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1975 profits.
- ‖ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ☆ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 21

FINANCIAL TIMES
Thursday September 11 1975

Craig-Paisley power struggle causes split

BY GILES MERRITT

BELFAST, Sept. 10.

THE SPLIT in the Loyalist Coalition over a scheme for emergency Government that could admit Catholic leaders to Cabinet rank has developed into a leadership struggle between Mr. William Craig and the Rev. Ian Paisley.

Mr. Craig, the Vanguard Party chief, who has this week emerged as a surprise moderate in the United Ulster Unionist Coalition, to-day indicated aspiration to Northern Ireland's premiership in a direct challenge to Democratic Unionist leader Mr. Paisley's position at the head of the UUUC hard-liners.

Mr. Craig, of course, could suffer the traditional fate of Ulster moderates. But he is banking on Protestant fears of civil war.

In spite of his overwhelming defeat at a UUUC caucus meeting on Monday, when the Loyalist Coalition's Convention members voted massively in support of Mr. Paisley's motion rejecting power-sharing, Mr. Craig is making a determined comeback. His own Vanguard Party tonight failed to swing back into line behind him, but it is clear that the party is deeply split on the emergency administration issue.

After a four and a half hour meeting, Vanguard's convention members indicated that they were still undecided and would discuss the question again next Monday.

With support for Mr. Craig coming from the paramilitary Ulster Defence Association—which to-day urged resumption of the inter-party talks between the UUUC and the mainly Catholic Social Democratic and Labour Party—and a small but powerful group inside Vanguard, it seems that Mr. Craig's own party rank-and-file is cautiously waiting to see how his leadership bid prospers before again giving him its backing.

There are already indications that the third and most senior party within the UUUC, the Official Unionists, led by Mr. Harry West, contains a number of Convention members who at very least favour Mr. Craig's insistence that the inter-party talks should resume, even if they have yet to be convinced of the merits of Mr. Craig's "broadly based" emergency Government scheme.

Vanguard Party members now rallying round Mr. Craig, despite their desertion at Monday's critical UUUC voting, appear confident of raising still more backing for their leader.

Mr. Glen Barr, who headed last year's Ulster Workers' Council strike that toppled the power-sharing executive, this afternoon flanked Mr. Craig at a Stormont Press conference and suggested that both the UUUC and the seven main Protestant paramilitary organisations would come out in favour of continued political negotiation with the SDLP.

He said the Ulster Loyalist Central Co-ordinating Committee, the powerful "umbrella" body, was meeting to-night. He was confident that by to-morrow it would issue a statement supporting Mr. Craig.

So far Mr. Paisley has remained silent in the face of to-day's unexpected revival in Mr. Craig's fortunes. But it is thought he will state his position shortly before to-morrow afternoon's plenary session of the 78-seat convention.

Originally, with the weight of the UUUC so firmly behind him after Monday's vote, it was known he intended to use the Coalition's majority in the convention to push through its adjournment, while condemning the security policies of Northern Ireland Secretary Mr. Merlyn Rees.

It was expected that the Assembly would then reconvene next Wednesday, by which time a majority report for Westminster defiantly rejecting power-sharing could be voted through.

His tactics for to-morrow are by no means so clear. Possibly he will ignore Mr. Craig's growing following and press ahead. But if so he risks finding his own support has melted, and rather than rubber-stamp his adjournment motion the convention will contrive to play for time by debating it at length.

- Mr. Callaghan, the Foreign Secretary, and Dr. Garret FitzGerald, Irish Foreign Minister, may discuss the Ulster crisis and Irish Border security to-morrow in Venice at the EEC Foreign Ministers' talks.
- Ireland faces a £100m. annual security bill from terrorism, said Mr. Patrick Donegan, the Defence Minister, yesterday.
- Ulster's Police Federation chairman, Mr. Donald Milliken, called at the federation conference for reintroduction of the death penalty.

Talks on bi-partisan policy

BY JOHN BOURNE, LOBBY EDITOR

TO MAINTAIN the rather precarious bi-partisan policy on Northern Ireland between the Government and the Opposition the Prime Minister had an hour's meeting last night with Mrs. Margaret Thatcher, the Conservative leader, in his room at the Commons.

Also there were Mr. Merlyn Rees, the Northern Ireland Secretary, and Mr. Airey Neave, his Conservative counterpart.

Neither side would comment afterwards but Whitehall has for some time been concerned that the bi-partisan party has appeared to be in danger following statements by Mr. Neave that the Government should end its policy of gradually releasing detainees suspected of terrorism.

Healey prepares NEDC paper on growth prospects

BY MARGARET REID

BRITAIN'S most promising industrial growth sectors will be pinpointed by the important paper being put to next month's National Economic Development Council meeting by Mr. Denis Healey, Chancellor of the Exchequer, and Mr. Eric Varley, the Industry Secretary.

The paper, seen as a curtain raiser to the major exercise of planning Britain's industrial strategy on which the NEDC is about to embark, will be considered on October 6. The chair is likely to be taken either by the Prime Minister or by Mr. Healey.

In Whitehall, where preparation of the paper is far advanced, stress is being placed on those areas of manufacturing industry where, in the context of the world market, development should be most rewarding. Attention is also being focused on the means by which expansion can be encouraged.

Great significance is being attached to the planning venture by the Trades Union Congress which, with representatives of industry and Government Ministers, composes the NEDC. At last week's TUC conference, Mr. Len Murray, general secretary, underlined the importance of the new industrial plan that it had "pressed the Government to set out as a matter of urgency."

The NEDC enterprise is being seen in trades unions circles as an essential complement to the backing given at the conference to the new £6 a week incomes policy.

Indications are that the new industrial strategy will not involve a fully comprehensive detailed national plan on the 1965 model, which involved different targets for various industries, worked out under the senior Minister then in charge, Mr. George Brown (now Lord George-Brown).

The purpose of the paper for October 6 is thought to be to set out the general "methodology" for obtaining greater investment, output and employment over the medium-term, extending well beyond the present recession.

Instruments, including the Industry Act and the proposed new planning agreements with companies, will be considered among the means for achieving the desired progress.

Financial help already offered, as foreshadowed in the Budget, to the ferrous foundry and textile sectors is regarded as providing a possible model for backing in some other cases.

Mr. Healey is understood to envisage a continuing process of work on the new industrial strategy, extending in the first place, over the next 12 months which, if Government hopes are realised, should witness a brighter turn in economic fortunes.

In NEDC quarters, where industrial planning needs have been under scrutiny for several months, thinking is in terms of the framing of a medium-term economic strategy, extending for up to five years. The aim would be to tackle the problems of low productivity, under-use of labour and capital, and the imperfect structure of industry, with the object of making good use of the year "bought" by the £6 a week policy and putting Britain's industry in better shape to take advantage of the next economic upturn.

Weather

U.K. TO-DAY

SHOWERS in most places.

London, E. Anglia, Midlands, S.E., E., Cent. S., Cent. N. and N. E. England.

Dry at first. A few showers later. Wind W., moderate. Max. 18C (64F).

Channel Is., S.W. England, S. Wales.

Showers. Sunny intervals. Wind W., moderate. Max. 17C (63F).

N. Wales, N.W. England, Lakes, I. of Man, N. Ireland, S.W. Scotland, Glasgow

Sunny intervals. Showers. Wind moderate. Max. 16C (61F).

Rest of Scotland

Sunny intervals. Showers. Wind S.W., moderate. Max. 16C (61F).

Outlook: Little change.

Lighting-up: London 19.57, Manchester 20.07, Glasgow 20.18, Belfast 20.24.

BUSINESS CENTRES

		Mid-day Y'day °C	°F			Mid-day Y'day °C	°F
Amsterdm	R	17	63	Madrid	S	24	75
Athens	S	29	84	Manchstr	F	16	61
Bahrain	S	[illegible]	[illegible]	Melbourne	S	17	[illegible]
Barcelona	C	24	75	Milan	F	25	77
Beirut	S	30	86	Montreal	S	16	61
Belfast	F	15	59	Moscow	C	15	59
Belgrade	S	20	68	Munich	F	21	70
Berlin	F	22	72	Newcastle	S	17	63
Birmghm	F	19	66	New York	S	14	57
Bristol	R	18	64	Oslo	F	16	61
Brussels	C	20	68	Paris	C	19	66
Budapest	S	19	66	Perth	S	23	73
B. Aires	S	16	61	Prague	S	20	68
Cairo	S	37	99	Reykjavik	R	5	41
Cardiff	C	17	63	Rio de J'o	S	30	86
Cologne	C	19	66	Rome	F	26	79
Copnhagn	F	20	68	Singapore	C	29	84
Dublin	C	15	59	Stockholm	T	16	61
Edinbgh	F	15	59	Strasbourg	S	24	75
Frankfurt	C	20	68	Sydney	S	22	72
Geneva	S	20	68	Tehran	S	32	90
Glasgow	C	15	59	Tel Aviv	S	[illegible]	[illegible]
Helsinki	S	18	64	Tokyo	S	29	84
H. Kong	C	31	88	Toronto	C	13	55
Jo'burg	S	25	77	Vienna	S	21	70
Lisbon	S	24	75	Warsaw	S	21	70
London	S	21	70	Zurich	S	21	70
Luxembg	C	19	66				

HOLIDAY RESORTS

		Mid-day Y'day °C	°F			Mid-day Y'day °C	°F
Ajaccio	C	24	75	Istanbul	C	21	70
Algiers	F	26	79	Jersey	F	18	64
Biarritz	S	22	72	Las Palmas	S	25	77
Blackpool	C	16	61	Locarno	S	22	72
Bordeaux	F	24	75	Majorca	F	23	73
Boulogne	C	16	61	Malaga	S	24	75
Casablnca	S	25	77	Malta	S	28	82
Cape T.	S	21	70	Nairobi	C	17	63
Corfu	S	29	84	Naples	S	26	79
Dubrovnik	S	24	75	Nice	C	22	72
Faro	S	27	81	Oporto	S	20	68
Florence	F	26	79	Rhodes	S	28	82
Funchal	F	22	72	Salzburg	S	23	73
Gibraltar	S	23	73	Tangier	S	23	73
Guernsey	F	17	63	Tenerife	F	19	66
Innsbruck	S	23	73	Tunis	F	[illegible]	[illegible]
Inverness	S	15	59	Valencia	S	25	77
I. of Man	C	15	59	Venice	S	24	75

S—Sunny. F—Fair. C—Cloudy. R—Rain. T—Thunder.

Union agreement on BL worker participation

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

BRITISH LEYLAND management and shop stewards representing 116,000 workers in the car division reached broad agreement yesterday on new industrial democracy machinery designed to achieve a more wide-ranging system of joint consultation than is practised by most British companies.

Against the background of the Government's recent announcement of a committee of inquiry into industrial democracy and Chrysler's attempts for a participation scheme with its shop stewards, Leyland will now press ahead with a three-tier system of joint councils and committees. These will try to maximise agreement on decisions ranging from general investment plans to production line speeds.

Details of how the new scheme will operate on a plant-by-plant basis are not yet being revealed: but a joint statement yesterday said that the substance and most of the detail of the system had now been agreed.

After six days of intensive discussions between a ten-member management team and 32 shop stewards, the statement was hopeful that final agreement would be reached speedily on the few matters still outstanding.

Leyland is anxious to have the new machinery operating as quickly as possible so that vital decisions affecting the future development of the corporation can be carried forward.

These are understood to include the £80m. integration of Rover-Triumph, which employs more than 50,000 in Cardiff and Liverpool. A £60m. plant for a completely new car is just being commissioned at Rover, Solihull, and associated with this is the transformation of the Triumph operations at Coventry to a main supplier of power trains with much diminished responsibility for assembly.

Broadly, the new industrial democracy machinery is in line with the Ryder Report's recommendations which were themselves closely modelled on Leyland's own submissions.

Worker participation will stop short of actual representation at Board level, much to the disappointment of the unions, which have accepted the new machinery on a 12-month trial basis.

At the end of this period they are likely to resume their pressure for 50-50 Board representation and by that time their prospects for achieving this are likely to be heavily influenced by the findings of the Government inquiry into industrial democracy.

Meanwhile, Leyland has promised that matters generally regarded as areas of management prerogative will now be discussed with employees with the aim of "developing agreed courses of action."

This is seen by the unions as a departure from old-style "rubber stamp" consultation and they will want early discussions on job prospects as well as general investment and sales policies.

The three-tier system of worker participation starts at departmental level, progresses to factory or area level and the top tier or council is at divisional management level.

Accredited workers' representatives are represented at each of these stages although it is not clear yet to what extent these proposals have been modified as a result of negotiations.

At plant level the joint committees will be seeking agreement on such items as track speeds, manning levels and labour mobility—three of the most important areas of determining continuity of production.

A parallel exercise covering 29,000 workers in Leyland's truck and bus division is expected to get under way shortly.

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Wolseley name to go Page 7

Third World problems affect sterling balances

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE BALANCE of payments problems of developing countries was a major factor behind a £260m. rundown in overseas countries' official holdings of sterling during the second quarter, Whitehall sources indicated yesterday.

The £260m. rundown was more than offset by an increase of £285m. in other overseas holdings of sterling in London, detailed balance of payments figures for the second quarter show.

It is also apparent from the figures that the Government over-estimated the extent of the improvement in the U.K. balance of payments deficit during the first half of this year.

'Swap' facility

While the improvement was still dramatic—from a £1.9bn. current account deficit in the second half of last year to £551m. in January-June, the final figure compares with earlier estimates that the deficit had fallen to £458m. by that time.

After allowing for capital transactions there was a net currency outflow of £419m during the quarter.

All of this was met by drawings on the official reserves. This confirms what was reported at the time, namely that the Bank of England was not intervening extensively during the June foreign exchange crisis, and that most of the strain was taken by the sterling rate.

The June crisis, which led to the announcement about an incomes policy on July 1, stemmed from the threat of huge withdrawals by the oil producers.

If there had been any attempt to mask a much greater drain on sterling—such as through drawings on the 'swap' facility with the New York Fed—this would have been disclosed by now.

Of the £419m. currency outflow during the second quarter, £336m. was directly attributable to the (not seasonally adjusted) current account deficit.

Some oil-producing countries increased their sterling holdings in April-June and some reduced them, but there is not believed to have been the sort of major rundown rumoured in some quarters.

The attitude of the U.K. authorities in June was that, in the absence of the introduction of a credible incomes policy, a serious attempt to defend the exchange rate would be both costly and futile.

What was perhaps not appreciated at the time was the extent to which non-oil-producing developing countries were feeling a strain on their balance of payments.

This factor, emphasised at the recent International Monetary Fund meeting, was certainly causing them to draw on their reserves held in London.

Tables, Page 7

CBI seeks early talks on next stage of attack on inflation

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE CONFEDERATION of British Industry is pressing for early talks on the second stage of the counter-inflation policy and hopes discussions will begin soon after the Labour Party conference next month.

CBI members feel it is essential to make the attack on inflation a continuing one and that plans for "stage two" must be laid in good time if they are to have a chance of success.

It is known that there are many more inflationary pressures still in the pipeline for industry to face. But a confederation survey completed in August — a modified and slimmed-down version of its quarterly surveys—shows that, though cost pressures on industry are still severe, they are not as severe as they have been.

The survey also reveals that the rate of deterioration in economic activity has slowed. But it seems it is still too early to say from the results whether the bottom of the demand "trough" is in sight.

It is also still impossible to say whether, once bottom has been reached, economic activity will bounce up again almost at once or whether it will bump along the bottom for some time.

The opportunity for the CBI to start talks on "stage two" will arise when it meets TUC and Government delegates for tripartite talks about how the current phase of the policy should be monitored.

CBI members still feel that the target of reducing the U.K. rate of inflation to 10 per cent. is achievable by this time next year. But they are also certain it must be reduced still further in the following 12 months because 10 per cent. is not a bearable rate.

Unemployment

The confederation, just starting to build up activity after the holidays, sees a heavy and exhausting year ahead with most of the major problems bound up in some way with inflation.

The problem of rising unemployment and the question of the timing of some reflation to stem it, for example, depends very much on the success of the counter-inflation policy. The CBI supports the Chancellor's view that there can be no U.K. reflation until there are clear signs that the country is getting inflation under control.

The confederation is determined to do its utmost towards making the counter-inflation policy bite, even though it consistently opposed the £6-a-week flat rate, pay limit idea as one which would store up too many problems over differentials, bonuses and so on.

It has already started guiding its members on how the policy should be worked and several thousand copies of its "guidelines" booklet have been sold.

The CBI will continue to stress in the coming months that £6 a week is the maximum under the policy and that some companies cannot afford to pay £6 a week and that others will not.

It will also play its part in the tripartite monitoring operation which will be watching on a broad front how the policy is working, leaving the detailed job of looking at individual pay awards to the Department of Employment.

Later this month CBI members will be asked to approve a 10 per cent. increase in membership fees, a change which would add around £200,000 to its income.

Continued from Page 1

GEC

the implication is that the majority will be.

"A serious reduction" (as yet unspecified) in labour requirements at Plessey was forecast by the company, in spite of its extensive and successful export drive.

In view of the expected magnitude of the P.O. cuts, a significant alleviation was unlikely, despite the meeting which had been arranged with the Department of Industry, Plessey said.

The unions' "total rejection" of the GEC plan and the fact that they are seeking a meeting with Mr. Varley were announced by the company in its statement to the Press and also conveyed to shop stewards when they were told of the proposed measures.

In addition, management told the stewards they should not take any shopfloor action to oppose the plan until union leaders had seen the Government.

This displays a large degree of agreement between management and unions on the strategy to be pursued, which is to get the Government to increase the present level of Post Office telecommunication orderings.

Officially, the unions want a restoration to 1973 levels, but it is believed that they might be content if they could preserve the present level of employment.

THE LEX COLUMN

Royal takes the rights route

Index fell 0.2 to 320.1

The long-awaited Royal Insurance rights issue—the largest of all—almost completes the recapitalisation of the insurance sector. Only two majors, General Accident (which had a rights issue in 1972) and Eagle Star, have not joined the list. The current issue will raise Royal's solvency margin from 37 per cent. at the end of August to 46 per cent., just about the average for the composites. Ironically the margin of Commercial Union, which began this rights issue round a year ago, is now slightly below the current figure which Royal has decided should be increased. But crude comparisons may be misleading, for the appropriate margin may depend on whether a company's business is primarily short tail or long tail in character, or on whether its investments are heavily in volatile equities (like Royal) or in near-cash (CU).

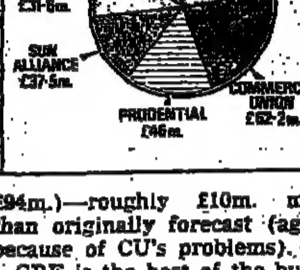
In approving of rights issues to boost solvency margins, shareholders are essentially performing an act of faith in the decline of the inflation rate. During rapid inflation, insurance companies make losses in real terms, in the sense that they cannot retain enough earnings to maintain the real size of their business. But the U.K. majors are continuing to pay rising dividends, which are not being earned in real terms, in order to keep open their access to the capital market. On the more positive side, however, they are taking the opportunity to raise premium rates sharply and increase their market shares, as some of their less well capitalised overseas rivals retire from the scene. Royal, for instance, plans expansion in Canada and Europe (but not the U.S.).

Composites

The likely trends in composite results this year are becoming clearer following yesterday's news of a better than expected £6.9m. interim rise to £22m. pre-tax for Guardian Royal, and a marginal drop to £7.2m. at Phoenix. Six of the seven majors have now reported, and their underwriting losses increased during the first half by £33m. to £48.7m. and profits fell by £6m. to £85m. compared with a year ago—the main reason being the sharp downturn at Commercial Union. The recovery in the U.S. now seems to be taking longer to come through while there has been a difference in Australian experience, with CU and Phoenix both down, but the rest generally up. A common feature has been the strength in the U.K.

Overall, with more recovery potential overseas in the second half, a reduction in the size of underwriting losses is still envisaged this year with brokers Wood Mackenzie, for example, now projecting a loss of £72m. for the seven majors (against

£285m. RAISED BY INSURANCE COMPANIES



£94m.)—roughly £10m. more than originally forecast (again, because of CU's problems).

GRE is the best of the bunch so far, principally because of a £2.8m. move into the black on underwriting: the group is not involved in the problems of the U.S. and has improved considerably in Australia, and, to a lesser extent, in Canada. And with these trends continuing, the group could make over £48m. pre-tax in the full year, against £28.4m. So the shares may be due for a further rating after yesterday's 4p rise to 186p, though the profits advance may be lower than the sector average next year.

There is greater apparent recovery potential at Phoenix, where an improvement in the U.K. and Canada has been offset by a downturn to losses of £3m. in Australia and £1.4m. in the U.S. for an overall £3.5m. underwriting deterioration. The Century acquisition accounted for £1.4m. of the losses on £20.6m. of premiums. But its results are expected to improve over the next year following the current reorganisation. So while the group is not making any forecasts, external projections are now for about £14m. pre-tax, against £10.7m.

Furness Withy

The reason for the strength of Furness Withy came out into the open unexpected[ly yester]day—with the announ[cement] that Eurocanadian Ship[ping] had acquired 28½ per c[ent. of] the group. The Furne[ss share] price immediately dru[ng up] to 238p having moved [up from] 215p this month and ga[ined] less than 30 per cent. s[ince the] start of July prior to ye[sterday's] fall.

The Furness stateme[nt con]fined itself to informin[g share]holders that Eurocana[dian is a] private company controll[ed from] Switzerland, but wh[ich is] Canadian owned and h[as] the Canadian Governmen[t as an] 18 per cent. equity sta[ke] making an investment [in the] company and that dis[cussions] to "determine how [to] develop their mutual in[terest] would be held.

But the stake may be [...] rather than a bid plat[form] view that Eurocanadian [...] don gave tacit acknowled[gement] to last night. Just under [a year] ago, Eurocanadian made [a bid] for Manchester Liners, [...] per cent. owned by Furn[ess] clearly it can have [...] little hope of success [...] Furness immediately re[fused to] join in the proceedings [and the] offer ended in deadlo[ck with] Furness owning 61½ pe[r cent.] of ML and Eurocanad[ian ...] per cent., and with [Euro]canadian spending w[...] £4m. in cash in the proc[ess. With] the Furness stake, Euro[canadian] has now put around £2[...] U.K. shipping, and that [...] to considerable muscle.

Last night the speciali[sts felt] that Eurocanadian was [in] a strong position to tig[hten its] grip on Manchester Li[ners and] that this latest move [by Euro]canadian was not a pre[lude to a] full scale bid for Furness.

Guinness Peat

Guinness Peat eased [to] 151½p yesterday despite [...] results that showed some [...] resilience in a year o[f falling] commodity prices and [...] plus physical interrupti[on of] trading. The move out of [...]tion House appears to ha[ve been] a fairly expensive opera[tion for] GP, but profits on tra[ding were] just £800,000 lower at [...] pre-tax, and after tax and [provi]sions banking has held [at] £929,000. Thus a fall of [...] in net attributable pr[ofits is] largely the result of a [higher] tax charge and the gear[ing im]pact of taking loan inte[rest be]low the line. The shar[es yield] 8 per cent., covered not twice.

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